

10/11/78

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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

| FORM OF DOCUMENT | CORRESPONDENTS OR TITLE | DATE | RESTRICTION |
|------------------|---|----------|-------------|
| Memo | Lipshutz, Kraft & Moore to Pres. Carter, w/attachmets 8 pp., re:Recommendations | 10/10/78 | C |
| Memo | Moore to Pres. Carter, 2 pp., re:Lunch w/Sen. Stevenson | 10/11/78 | C |
| Memo | Kraft & Gammill to Pres. Carter, w/attachmets 11 pp., re:Recommendations | 10/4/78 | C |
| Memo | Dan Tate to Frank Moore, w/attachmets 6 pp., re:Sen. Byrd | 10/5/78 | C |

FILE LOCATION

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THE PRESIDENT'S SCHEDULE

Wednesday - October 11, 1978

8:00 Senator Robert Byrd. (Mr. Frank Moore).
(15 min.) The Oval Office.

8:30 Dr. Zbigniew Brzezinski - The Oval Office.

9:00 Mr. Frank Moore - The Oval Office.

9:13 Mr. Carter Burden, Democratic Congressional
(2 min.) Candidate, 18th District, N.Y. (Mr. Frank
 Moore) - The Oval Office.

9:15 Judge Howell Helfin, Democratic Senatorial Candidate,
(2 min.) Ala. and Senator John J. Sparkman. (Mr. Frank Moore).
 The Oval Office.

10:15 Senator Russell B. Long, Congressman Al Ullman
(15 min.) and Secretary Michael Blumenthal. (Mr. Frank
 Moore) - The Oval Office.

11:00 Mr. Jody Powell - The Oval Office.

11:50 Presentation/Representatives of the Association
(10 min.) of American Editorial Cartoonists. (Mr. Jerry
 Rafshoon) - Oval Office.

12:00 Mr. John M. Carey, National Commander, American
(2 min.) Legion. (Ms. Anne Wexler) - The Oval Office.

12:05 Ms. Martha (Bunny) Mitchell - The Oval Office.
(5 min.)

12:15 Lunch with Senator Adlai Stevenson - The Oval Office.
(30 min.)

THE WHITE HOUSE
WASHINGTON

10/11/78

The Vice President
Frank Moore

The attached was returned
in the President's outbox
today and is forwarded to
you for appropriate handling.

Rick Hutcheson

EDUCATION BILL

ADMINISTRATIVELY CONFIDENTIAL

THE WHITE HOUSE
WASHINGTON

October 9, 1978

*To Frank -
Do what you
wish with the
letter
J*

MEMORANDUM FOR THE PRESIDENT

FROM:

FRANK MOORE *Fm*
LES FRANCIS *Les*
TERRY STRAUB *Terry*

SUBJECT:

Department of Education Bill

Last week, we attempted to schedule the Department of Education bill for floor debate and immediately ran into a procedural filibuster by several opposing Members (Democrats and Republicans). The procedural slowdown was aimed at several unrelated bills that were scheduled to be taken up before the Education bill. In order to keep the schedule moving, the Leadership was forced to agree to take the bill off the schedule for the rest of the week. The bill is now tentatively scheduled for this Thursday, October 12, the first day there will be any votes taken in the House this week.

Following last week's action by the Speaker to reschedule the bill for this Thursday, the NEA talked to a number of supporters about possible action to revive the bill. It is NEA's strong feeling that the Speaker has promised them a vote on the bill this year. (Having been present at that meeting, we have our doubts as to whether the Speaker indeed promised anything quite so specific.)

The NEA met Friday with supporters of the bill and intended to ask them to step up their pressure on the Leadership. There has been some talk of slowing down the legislative schedule until the bill is brought up by the Speaker. We have cautioned against this strategy and informed them the Administration could not be party to this inasmuch as we have several pieces of priority legislation pending this week.

Nonetheless, we feel it is necessary to reemphasize your continued support for this legislation. If the bill is not

acted on this year, it is particularly important to maintain the interest groups' good feelings toward our efforts in behalf of the bill. Thusly, we have taken intermediate steps to keep some momentum in the initiative:

1. Requested that the Speaker place the bill near the top of the calendar this Thursday, thereby protecting other bills from being filibustered in advance. This request is still pending.
2. Prepared a draft letter (see attached) to be sent over your signature to the Speaker with copies to be released to all Members of Congress this week.
3. We may ask you and the Vice President to make a few Congressional calls to the more obstructionist Members. These would include Reps. Bolling, Obey, Ryan, and other Democrats who are orchestrating the opposition in concert with Republicans Erlenborn, Walker (Pa.), and others.
4. We have discussed with the Vice President the possibility of his meeting with the Leadership early this week to request action on a number of remaining items, this bill included.

*VP do
this*

We have talked to Chairman Brooks (our floor manager) about the floor strategy. If we are up on Thursday, we will certainly run up against the same filibuster-type procedures we faced last week. If so, it is our intention to have Brooks offer a motion to have a final vote at a time certain that day. This vote will be the high-water mark for this legislation and our most crucial vote. We must win this in order to have any chance to pass the bill.

Finally, if we are indeed taken up on Thursday, we will attempt to reconcile both bills on the House floor as much as possible in hopes of avoiding a conference committee or limiting the need for a prolonged conference.

THE WHITE HOUSE
WASHINGTON

October 11, 1978

To Speaker Tip O'Neill

The creation of a separate Department of Education is one of my priorities for the 95th Congress.

I have followed closely the progress of H.R. 14067, the Department of Education Organization Act, through the Government Operations Committee and Rules Committee. I am grateful for your help in obtaining a rule for consideration of the bill on the House floor.

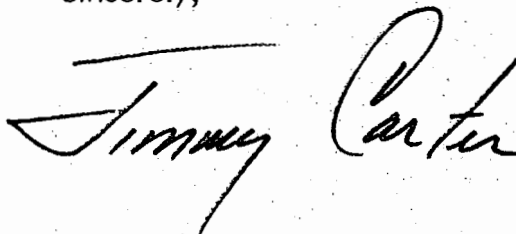
Education is an important factor not only in the development of individuals but of the country as a whole. I believe that the current organizational status of Federal education programs is unacceptable in a nation where all levels of government invest substantially in education programs while getting less results in the actual performance and job prospects of our students.

The running of local school systems is the responsibility of states and local communities. I believe that a Department of Education will enable us to do a better job of helping states and localities carry out their responsibilities. As you know, the Senate has passed the Department of Education Organization Act by a large margin. We believe that a large majority of Members of the House support H.R. 14067. I appreciate your scheduling this bill for floor action this week. I ask that you bring up the bill on Thursday and complete action that day if at all possible.

Thank you for all of your help.

With warmest personal regards,

Sincerely,

A handwritten signature in cursive script that reads "Jimmy Carter". The signature is written in dark ink and is positioned below the word "Sincerely,".

The Honorable Thomas P. O'Neill, Jr.
Speaker of the
U.S. House of Representatives
Washington, D.C. 20515

THE WHITE HOUSE
WASHINGTON

10/11/78

rick--

it would probably be
best to return this
directly to juanita
kreps for her to give
to harman.

thanks -- susan

Patti ↑
cc Linder
~~admiral~~
confd

THE WHITE HOUSE

WASHINGTON

October 11, 1978

To Sidney Harman

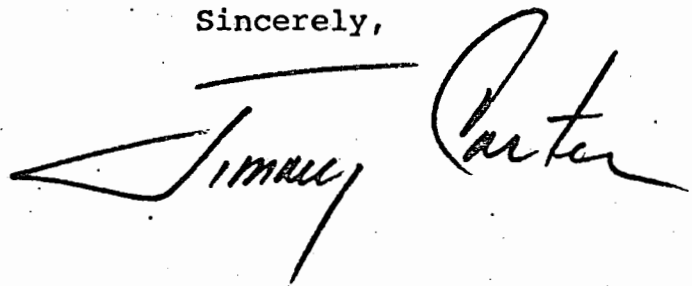
I accept your resignation as Under Secretary of Commerce with genuine regret.

You have made significant contributions during the early years of the Administration, especially in the areas of Quality of Working Life and Minority Economic Development.

Your design and execution of the program to revitalize the domestic shoe industry has been a significant achievement.

I wish you the best of times in your continuing life and work.

Sincerely,

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned below the word "Sincerely,".

THE SECRETARY OF COMMERCE
WASHINGTON

October 10, 1978

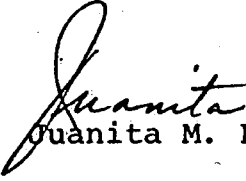
The President
The White House
Washington, D. C. 20500

Dear Mr. President:

As the follow-up to our telephone conversation this morning, I am enclosing Sidney Harman's letter of resignation as Under Secretary of Commerce. Attached also is a suggested response for your consideration.

With warm wishes,

Sincerely,


Juanita M. Kreps

Enclosure



THE UNDER SECRETARY OF COMMERCE
Washington, D.C. 20230

October 11, 1978

The President
The White House
Washington, D. C. 20500

Dear Mr. President:

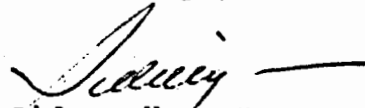
Please accept my resignation as Under Secretary of Commerce effective December 1, 1978.

I have appreciated the opportunity to serve you and your Administration and I thank you for the confidence and responsibility you placed in me through this appointment.

I believe that the programs I initiated at your instruction are now in good order and that the time is appropriate for me to move to other activity in the private sector.

I shall, of course, be available at your call for any assignment you determine will be of service to you.

Faithfully yours,


Sidney Harman

THE SECRETARY OF COMMERCE
WASHINGTON

October 10, 1978


The President
The White House
Washington, D. C. 20500

Dear Mr. President:

As the follow-up to our telephone conversation this morning, I am enclosing Sidney Harman's letter of resignation as Under Secretary of Commerce. Attached also is a suggested response for your consideration.

With warm wishes,

Sincerely,


Juanita M. Kreps

Enclosure

8:00 AM

THE WHITE HOUSE
WASHINGTON

Postponed

October 9, 1978

MEETING WITH SENATOR ROBERT BYRD

~~Wed. Tuesday~~, October 10, 1978
8:00am (15 minutes)
Oval Office

From: Frank Moore *F.M./Bd*

I. PURPOSE

To discuss matters of mutual interest.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background: Senator Byrd requested this meeting.

B. Participants: The President
Senator Byrd
Frank Moore

C. Press Plan: White House Photo only.

III. TALKING POINTS

Separate memorandum to be prepared by Congressional Liaison.

THE WHITE HOUSE

WASHINGTON

October 9, 1978

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

FROM: DAN TATE *DET/DO*
THROUGH: FRANK MOORE *FM.*
SUBJECT: Senator Robert C. Byrd

Senator Robert Byrd now manages to mask his outrage with respect to the Public Works Appropriations veto, but if that subject or the possibility of the veto of other legislation is brought up he becomes extremely upset. Since Senator Byrd is such a private person it is difficult to determine exactly the source of his outrage. Based on my conversations with him, I believe that he is upset largely because of your "rhetoric". He feels that you have subjected the Congress, which is controlled and led by Democrats, to unnecessary public ridicule and made it especially hard on Democratic Senators who are up for re-election. He points out that many of those Senators, particularly Senator Huddleston and Senator McIntyre, have stood with us on the toughest and most unpopular issues.

I have also caught hints of personal embarrassment from him. He alluded to the several times he has gone to Democratic Senators and begged or cajoled them to support their President and had them respond. He says that it will be extremely difficult for him to do that again.

Finally, he is tired and irritable due to the long hours and many days of pressure he has operated under during this session of Congress. Right now he is in no mood to fervently push any more controversial legislation. His major concern is meeting the October 14 deadline and adjourning.

There is little doubt that we are on his wrong side now. He is not going to go out of his way to help us unless his purposes are served as well.

He wants to hand deliver to you a letter, the contents of which are unknown to me, at your meeting on Tuesday morning. I suspect that his letter will be a straight forward one. He is prepared to fight with you if necessary because we have somehow hurt and embarrassed him. I expect that this will pass, but it will take time.

My recommendation is that you treat him in exactly the same

manner as usual -- with respect, friendship and a degree of deference.

THE WHITE HOUSE
WASHINGTON

10/11/78

Frank Moore

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

| | |
|--|---------------------------|
| | FOR STAFFING |
| | FOR INFORMATION |
| | FROM PRESIDENT'S OUTBOX |
| | LOG IN/TO PRESIDENT TODAY |
| | IMMEDIATE TURNAROUND |
| | NO DEADLINE |
| | LAST DAY FOR ACTION - |

ACTION
FYI

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|--|--------------|
| | ADMIN CONFID |
| | CONFIDENTIAL |
| | SECRET |
| | EYES ONLY |

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| | VICE PRESIDENT |
| | EIZENSTAT |
| | JORDAN |
| | KRAFT |
| | LIPSHUTZ |
| | MOORE |
| | POWELL |
| | WATSON |
| | WEXLER |
| | BRZEZINSKI |
| | MCINTYRE |
| | SCHULTZE |

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| | ARAGON |
| | BOURNE |
| | BUTLER |
| | H. CARTER |
| | CLOUGH |
| | COSTANZA |
| | CRUIKSHANK |
| | FALLOWS |
| | FIRST LADY |
| | GAMMILL |
| | HARDEN |
| | HUTCHESON |
| | JAGODA |
| | LINDER |
| | MITCHELL |
| | MOE |
| | PETERSON |
| | PETTIGREW |
| | PRESS |
| | RAFSHOON |
| | SCHNEIDERS |
| | VOORDE |
| | WARREN |
| | WISE |

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| | ADAMS |
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| | CALIFANO |
| | HARRIS |
| | KREPS |
| | MARSHALL |
| | SCHLESINGER |
| | STRAUSS |
| | VANCE |

THE WHITE HOUSE
WASHINGTON

October 10, 1978

MR. PRESIDENT:

Attached is a thoughtful
memorandum from Les Francis
in which I concur.

Frank Moore

cc: The Vice President
Hamilton Jordan
Jerry Rafshoon

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

October 9, 1978

I agree
J

MEMORANDUM TO:

FRANK MOORE

FROM:

LES FRANCIS *Les Francis*

SUBJECT:

Revised "Veto Strategy"

I am concerned that our back-to-back victories of the Defense and Public Works vetoes may inspire either an exaggerated sense of confidence or a renewed resolve to adopt a hard-line, no compromise position on other bills that we find disagreeable.

When we first presented our veto strategy to the President in late May or early June, its expressed purpose was two-fold: (1) We wanted to increase our leverage on bills that were particularly troublesome, using a viable veto threat as a weapon to force improvements in measures that were in the legislative pipeline; and (2) we wanted to correct the impression on the Hill that Congress could, without thinking twice, force the President to accept almost anything they sent down here.

I am firmly convinced that our strategy has been successful on both counts. Several bills have been improved substantially because Congressional sponsors have feared Presidential disapproval of their legislation (Labor/HEW appropriations, Treasury appropriations, highway and others). And, sustaining the vetoes on defense and public works has convinced many Members of Congress that the President is (a) serious about his vetoes and (b) fully capable of making his vetoes stick.

Our strategy was sound and effective and should not be abandoned. Neither, however, should we overplay our hand or rub Congress' collective nose in it. To accelerate our strategy at this point would, I am afraid, turn Congressional disappointment into bitterness, and bitterness into a determination to "teach us a lesson."

I point these concerns out now because I know there will be cries of "Veto! Veto! Veto!" on bills this week (i.e., Surface Transportation), that do not meet our specifications exactly. Veto advocates will be spurred by the impressive wins on defense and public works and will argue that we

should ride the momentum . . . "We've got 'em on the run, so don't let up now!". I caution against that approach for the reasons stated.

If we are going to veto additional bills we ought to make sure they come after adjournment. We cannot mount another single override fight this session. Our resources are too limited for one thing and Congressional reaction would be terribly negative, for another; so negative, in fact, that it might jeopardize other priority items.

I believe this issue is of particular importance and I urge you to discuss it with the President at your earliest opportunity.

11:50 AM

THE WHITE HOUSE
WASHINGTON

October 10, 1978

PHOTO OPPORTUNITY AND PRESENTATION BY
ASSOCIATION OF AMERICAN EDITORIAL CARTOONISTS

Oval Office
October 11, 1978
11:50 a.m. (10 minutes)

From: Jerry Rafshoon

JR

PURPOSE:

The Association of American Editorial Cartoonists have prepared a special book of original cartoons of you by its member artists. Traditionally, Presidents have personally received these books. Today a representative group of the association will make the presentation.

BACKGROUND, PARTICIPANTS, AND PRESS PLAN:

A list of the participants is attached.

White House Press Pool coverage.

PARTICIPANTS:

| | |
|-------------------------|---|
| Cliff Baldowski (Baldy) | Atlanta Constitution |
| Gene Basset | Scripps-Howard |
| Jim Berry | NEA |
| Charles Brooks | Birmingham News |
| Tom Curtis | Milwaukee Sentinel |
| Lou Erickson | Atlanta Journal |
| Ed Fisher | Omaha World Journal |
| Karl Hubenthal | LA Herald-Examiner |
| Jack Jurden | Wilmington Journal |
| Jim Lange | Oklahoma Oklahoman |
| Jeff MacNelly | Richmond Time-Dispatch |
| Roy Peterson | Vancouver Sun |
| Jerry Robinson | King Feature Syndicate |
| John Stampone | Army Times |
| Hector Valdes | El Heraldo De Mexico Mexico City, Mexico |
| Art Wood | US Independent Telephone Association |

12:00 PM

THE WHITE HOUSE
WASHINGTON

October 10, 1978

MEETING WITH JOHN M. "JACK" CAREY
New National Commander of the American Legion
Wednesday, October 11, 1978
12:00 noon
The Oval Office

FROM: ANNE WEXLER *Ann*

I. PURPOSE

To greet John M. "Jack" Carey, the new National Commander of the American Legion, and photo opportunity.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

- A. Background: Traditionally, the new commanders of the major veterans organizations have met briefly with the President shortly after being elected. Although not done last year, Max Cleland has suggested that we reinstate these meetings. This is the second of four or five of these brief photo sessions on which we are working with Fran Voorde.

John M. "Jack" Carey, of Grand Blanc, Michigan, was elected National Commander of the American Legion at the Organization's recent national convention. An employee of General Motors, Mr. Carey has served four terms as Mayor of Grand Blanc. A brief biography is attached. Mr. Carey is in Washington for briefings with Max Cleland.

The American Legion tends to be more Republican in its political outlook, but is most scrupulous in being "non-partisan." The American Legion strongly supported lifting the Turkish arms embargo. A further briefing by Max Cleland is attached.

- B. Participants: John M. "Jack" Carey; Mike Schlee, Executive Director of the American Legion; Joe Lacina, Assistant to the National Commander; Max Cleland, and Anne Wexler.

- C. Press Plan: No outside press; White House photographer.

III. MATTERS WHICH MIGHT BE MENTIONED TO MR. CAREY

1. Mr. Carey should be congratulated on his election.
2. Mr. Carey should be thanked for the American Legion's support on lifting the Turkish arms embargo.
3. You should express to Mr. Carey our desire to work together on issues of interest to the American Legion; that you know Anne Wexler, her staff, and Max Cleland will be working with him and Mr. Schlee.

BIOGRAPHY
OF
JOHN M. "JACK" CAREY

Mr. Carey, a native of Mt. Pleasant, Michigan, is a resident of Grand Blanc, where he has served four terms as mayor. He is employed by General Motors (Industrial Engineering-Fabricating Unit, Fisher Body Plant, Flint, Michigan).

Commander Carey and his wife, Mildred, are the parents of two daughters and one son.

A life member of Grand Blanc Post 413, Commander Carey has held numerous local, state, and national American Legion positions, including serving as Post Adjutant for twenty-seven years.

Among his special honors are Rotary Club "Man of the Year of Grand Blanc" (1975) and General Motors "Award of Excellence in Community Activities" (1972 and 1977).

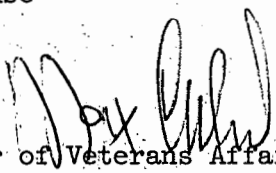
October 10, 1978

MEMORANDUM FOR:

The Honorable
Jimmy Carter
The President
The White House

FROM:

Max Cleland
Administrator of Veterans Affairs



SERVICE ORGANIZATION BRIEFING - The American Legion

The American Legion is the largest of the service organizations with 2.7 million members not including its 90,000 member Auxiliary and the Sons of the American Legion. Membership has increased in recent years and includes 700,000 Vietnam-era veterans.

The basic unit is the local post, which is largely autonomous. It is through the 16,000 posts, located in districts corresponding to Congressional districts, that resolutions filter up to the national command. The Legion is highly organized and while it will not support candidates, it will oppose candidates who "disappoint" the membership.

The four primary programs are rehabilitation, child welfare, national security, and Americanism. Since its inception, it has been primarily concerned with rehabilitation. Through its vast rehabilitation program, it has been largely responsible for the structure of federal and state veterans legislation. The Legion has been credited with the creation of the first Veterans Bureau, later the Veterans Administration. In 1944, it conceived and sponsored the first G.I. Bill of Rights.

The Legion has supported the Administration on the Turkish arms sale and can be expected to support any measures designed to strengthen the nation's security. Traditionally the Legion has been the most middle-class of the veterans organizations--tending to be more Republican in its political outlook. At the same time, it has been the most scrupulous in adhering to the "non-partisan" nature of its veterans group charter. Its criticism has thus tended to be more gentlemanly and restrained.



John M. Carey

The American John M. Carey &

For the fourth time in the history of The American Legion a Michigander is serving as National Commander of the 2.7 million member veterans' organization. Elected by acclamation today was John M. "Jack" Carey, of Grand Blanc, a combat veteran of World War II.

Other Michigan Legionnaires elected to the organization's top post are J. Addington Wagner of Battle Creek (1955-56) and Raymond J. Kelly of Bloomfield Hills (1939-40). In addition, John G. Emery completed the term of Frederic W. Galbraith of Ohio in 1921. Emery, a National Vice Commander, was named by the National Executive Committee following Galbraith's death.

A life member of Grand Blanc Post No. 413, Commander Carey has served The American Legion as post commander, post adjutant for 27 years, district commander, state finance officer, state commander, National Executive Committeeman, member of the National Public Relations Commission, National Internal Affairs Commission chairman, and member of the National Foreign Relations Council.

He has served four terms as Mayor of Grand Blanc, is a member of the Board of Managers of the Michigan Veterans Facility at Grand Rapids and is serving or has served on many other civic organization boards.

A native of Mt. Pleasant, Mich., Carey is employed by General Motors as a corporation department supervisor—Industrial Engineering-Fabricating Unit, Fisher Body Plant, Flint, MI.

He is a graduate of Central Michigan University and has done graduate work at the University of Michigan in addition to management training and organizational development courses at the General Motors Institute.

In addition to his Legion membership, he also is a member of Elks Lodge No. 222, the Flint Industrial Executives Club and the Knights of Columbus. Among his special honors is the Rotary Club Award for "Man of the Year" in Grand Blanc, presented in May of 1975, and the General Motors "Award of Excellence" in community activities in 1972 and 1977.

Commander Carey and his wife Mildred are the parents of two daughters and one son.

National Vice Commanders elected to serve for The American Legion 1978-79 year are as follows: L. Max Connolly, 212 E. 14th St., Tempe, AZ; Nathan M. Wolfe, 2101 Caretta Ave., N, Augusta, SC; Joseph F. Ward, 950 Schopmann Drive, Secaucus, NJ; Alvin F. Grauerholz, Box 351, Coffeyville, KS, and John H. Weinand, Jr., Route 1, Fairhope, AL.

THE WHITE HOUSE
WASHINGTON

MR. PRESIDENT:

Here are letters to Members of the House who were contacted by you and are now listed as supporting us on the previous question on the energy bill. Frank's staff has asked us to mention that you talked with several other Members, but these are the only ones which show up as firm YES votes on the previous question. A suggested post-script is:

"I appreciate your support on this very important issue."

These members are YES on the procedural vote but may be undecided on final passage.

Stu Eizenstat
Frank Moore

THE WHITE HOUSE
WASHINGTON

Baucus *Max*
Beilenson *Anthony D.*
Boland *Edward P.*
Brown (Ca)
Cavanaugh *John J.*
Dodd *Christopher J.*
Edwards (Ca) *John*
Fithian *Floyd J.*
Flowers *Walter*
Holland *Kenneth R.*
Keys *Barbara*
Lederer *Raymond F.*
Lloyd (Tenn)
Lundine *Stanley A.*
Meyner *Helen J.*
Panetta *Leon E.*
Simon *Paul*
Walgren *Donald*
Whitten *James L.*

Max
John
Edna
George
John
Chris
Dave
Floyd
Walter
Ken
Barbara
Ray
Margaret
Stan
Helen
Leon
Paul
Doug
James

THE WHITE HOUSE

WASHINGTON

October 11, 1978

To Congressman Max Baucus

Of the tasks remaining for the 95th Congress, none is more important than enactment of a national energy plan. Adoption of the full package, which includes provisions on conservation, coal conversion, utility rate reform, energy taxes and credits, and natural gas pricing, is essential to our economic health and future security.

The bill establishes a responsible, balanced and fair framework for meeting our energy needs. It will give us the tools to save about 2.5 million barrels of oil per day by 1985, with a reduction of more than \$12 billion in our trade deficit. It will demonstrate that as a Nation we have the courage and strength to face up to our energy problem. This in turn will help strengthen the U.S. dollar, whose decline over the last year has added a full 1% to the Consumer Price Index.

The natural gas portion of the energy plan is particularly important, since it contributes well over half of the entire plan's oil savings. It replaces the current administrative system under which consuming States have experienced gas shortages, while producing States have experienced growing surpluses. It also provides price certainty for producers. Homeowners, farmers, and small businesses are protected by incremental pricing. Large industries will continue to have access to gas at prices well below the cost of substitute fuels. Industrial users will now be able to rely upon increased supplies of natural gas instead of foreign oil to meet their needs. In addition, the legislation will make possible construction of the Alaska Natural Gas Pipeline, which will provide 800 billion cubic feet a year of additional gas supplies. Those who oppose certain portions of the natural gas legislation have no practical alternative to offer which has any chance of enactment.

The Congress has done a good job of bringing this difficult task to a final stage after eighteen months of dedicated work.

Delay on energy legislation can no longer be an acceptable choice for us. With the eyes of our citizens and the world upon us, we must not fail this test of our national will.

I urge you to give your full support to the energy package.

Sincerely,

Jimmy
Thanks!
J

The Honorable Max Baucus
U.S. House of Representatives
Washington, D.C. 20515

THE WHITE HOUSE
WASHINGTON

10/10/78

rick--

please ask frank and stu
to cut letter down to one
typewritten page, and then
send over to mansion for
president to approve.

thanks-- susan

THE WHITE HOUSE

WASHINGTON

October 10, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *FM*
STU EIZENSTAT *Stu*
RE: Attached draft letter on natural gas

Attached is a draft Presidential letter to all members of the House. The letter has been approved by the Department of Energy, Eizenstat's staff and my staff.

We propose to have it hand-delivered to each Representative tomorrow morning. We will pull the letters to those Members who have committed to you and send them to you for signature and P.S.'s.

Although this letter is longer than what you usually send, it is thoughtful and will serve as a good basic document which can refute just about any possible argument against the bill.

APPROVE LETTER _____

DISAPPROVE _____

1026

THE WHITE HOUSE

WASHINGTON

To Congressman ///stop code///

Of the tasks remaining for the 95th Congress, none is more important than enactment of national energy legislation. Within the next few days, you will be voting on ~~an~~ ^{plan,} ~~energy~~ ^{bill,} ~~legislation,~~ including provisions on conservation, coal conversion, utility rate structures, energy taxes and credits, and natural gas pricing. I am calling upon you to give your support to this full package because I believe that its adoption is central to both our current economic health and well-being and to the future security of our energy supplies.

For the last eighteen months, you and your colleagues have labored long and hard on energy legislation. The final product of that hard work is now before you. It is not the bill I originally proposed in every respect, but it is a responsible, balanced and fair framework for meeting our energy needs and responsibilities. Delay is no longer an acceptable choice. This legislation is critical if we are finally to take those steps necessary to increase energy supplies, to use our precious oil and natural gas resources wisely, and to begin the transition to coal and renewable sources of energy such as the sun.

Adoption of this package will provide us with the tools to save about 2.5 million barrels of oil per day by 1985. These savings will reduce our expenditures for imported oil by more than \$10 billion in 1985 ~~over~~ what we would otherwise be paying. Approval of these measures will demonstrate to the American people, and to our allies abroad, that we do have the courage and the strength to face up to our energy problem.

see below
The natural gas portion of the energy legislation is of particular importance because it provides over half of the total savings in the package. As you assess this portion of the bill, I would ask that you keep the following points in mind.

The status quo is not working well for our nation. New discoveries of natural gas are creating supply surpluses in the producing states which are not being sold in the interstate market where they are sorely needed. In fact, much new production is either being slowed or withheld because producers do not have access to a national market at fair prices. At the same time, consuming states are facing continuing curtailments of natural gas. Homeowners, schools, hospitals, agriculture and industries do not have access to the gas they need to meet their demand. These natural gas deficits in the interstate market are being made up with foreign oil at substantially higher costs to users. This increased reliance on imported oil in turn exacerbates an already serious balance of payments deficit, and adds to the overall vulnerability of our energy supplies.

It is no wonder that many of our own citizens, and our friends abroad, do not believe that we are serious about our energy problem -- when domestic supplies of a premium fuel are shut in while increasing oil imports continue to make up the difference.

The natural gas portion of the energy package provides us with an opportunity to replace the current administrative system with a new approach which better meets the needs of our country. Over the last thirty years, Congresses and Presidents alike have sought such a change, but it has been beyond their reach. The measure before you will accomplish that long-sought goal. It is important to note that those who oppose this portion of the bill have no practical alternative to offer that has any chance of enactment.

By eliminating the outmoded dual market system for new natural gas supplies, substantial additional quantities will flow into the interstate market at prices still well below those of alternate fuels such as imported oil, LNG or SNG. Essential needs of homeowners, farmers, and industries can be met without fear of abrupt supply cut-offs as have occurred in recent winters. New natural gas hook-ups for homes may resume for the first time in a number of years.

New, easily determined production incentives will be established. Instead of the vague, uncertain regulatory standards of the past, producers will know from the start what price they may expect for new production this year and following years. While the language of the natural gas

conference report is detailed, it creates stable, certain price categories which replace tens of thousands of pages of Federal Energy Regulatory Commission and Federal Power Commission proceedings and determinations and judicial interpretations of those administrative judgments. The measure also does away with numerous unnecessary and burdensome regulations that have nothing to do with price and were originally enacted to apply to interstate pipelines. The bill also resolves uncertainties associated with recent court decisions.

Residential, small commercial, and agricultural consumers will be sheltered from price increases by the bill's incremental pricing provisions. However, the incremental pricing sections have been structured in such a way that industrial users will continue to pay less for natural gas than the cost of substitute fuels.

Essential agricultural uses, including fertilizer and pesticides, crop drying, and food processing, will, for the first time, be statutorily guaranteed the high priority they need. These uses are also exempt from incremental pricing requirements, thereby ensuring access to reasonably priced fuel.

The natural gas legislation also resolves the pricing structure for Alaskan natural gas -- an essential step to further progress in financing and constructing the Alaskan Natural Gas Pipeline. The nation as a whole, and the West and Midwest in particular, will benefit substantially from the availability of Alaska North Slope natural gas. Without this legislation, private financing for this much-needed pipeline, which will add 800 billion cubic feet of natural gas to the lower 48 states by 1985, would be virtually impossible.

In all, the natural gas compromise will substantially increase the overall supply of this premium fuel, and could yield a 30% increase in interstate supplies by 1985. It will also save approximately 1.4 million barrels of oil imports per day by 1985, and reduce our trade deficit by \$6 to \$8 billion per year assuming OPEC prices rise at about the inflation rate.

The importance of enacting a full five-part energy program goes well beyond our energy problem. During the last several months, it has become increasingly evident that Congressional action on energy will have a direct impact on our trade deficit, on the value of the dollar, and on the rate of inflation.

Our 1978 trade deficit will be among the highest in the nation's history. Imported oil, which is now running at an annual rate of \$42 billion, contributes heavily to that deficit. The 2.5 million barrels per day of oil savings resulting from the package will be essential to controlling that deficit, with the natural gas portion of the bill having the most important short-term pay-off as the current gas surplus in the producing states moves into the interstate system.

The dollar's erosion against other currencies is also a factor which must be considered. Since April 1977, the dollar has declined 16% against the German mark, 34% against the Swiss franc, and 31% against the Japanese yen. Without enactment of energy legislation, the world will remain convinced of our unwillingness to face the energy problem and adverse effects on the dollar due to this factor will continue.

The trade deficit and the dollar's slide adversely affect the inflation rate. For the first six months of this year, the consumer price index rose by 10.4%. By stemming the decline of the dollar's value, the energy package will have an immediate effect on slowing the inflation rate. At present, every 1% decline in the dollar's value is estimated to add .1% to the consumer price index.

We cannot afford to allow another Congress to end without a national energy policy, including a natural gas bill.

I call upon each of you to rise above regional concerns and short-term political considerations. We must act in the domestic and international interests of our country above all else. With the eyes of the nation and the world upon us, we cannot afford to fail this test of our will.

I urge you to give your full support to a package containing all five elements of this national energy legislation.

Sincerely,

The Honorable ////stop code///
U.S. House of Representatives
Washington, D.C. 20515

9:15 AM

THE WHITE HOUSE
WASHINGTON
October 10, 1978

MEETING WITH HOWELL HEFLIN (SENATE CANDIDATE, ALABAMA)

Wednesday, October 11, 1978
9:15 a.m. (three minutes)
The Oval Office

FROM: FRANK MOORE *F.M. /BR*

I. PURPOSE

Senator Sparkman would like to introduce you to his "successor" and have a photo for use in campaign materials.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. Background: Howell Heflin, 56, from Tuscumbia, Alabama, defeated Congressman Walter Flowers in the September 26 run-off for John Sparkman's Senate seat. The final vote was 65% to 35%. Shortly after the run-off, Heflin's Republican opponent, former Congressman Jim Martin, decided to switch races and run against Donald Stewart in Senator Allen's seat. This leaves Heflin without an opponent.

Heflin is a former Chief Justice of the Alabama Supreme Court, which is an elective office. After leaving the Court, he returned to private law practice in Tuscumbia. His father was a Methodist minister.

B. Participants: Judge Heflin, Senator Sparkman

C. Press Plan: White House photographer

III. TALKING POINTS

A. Usual courtesies

THE WHITE HOUSE
WASHINGTON

10/11/78

Tim Kraft

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling.

The order and commissions will be held until we hear back from you.

Rick Hutcheson

cc: Jim Gammill

THE WHITE HOUSE
WASHINGTON

①

October 4, 1978

MEMORANDUM FOR: THE PRESIDENT
FROM: JAMES F. GAMMILL, JR. *JFB*
SUBJECT: Presidential Appointments

I recommend that you appoint the following-named persons to be Members of the Small Business Conference Commission. (New Positions).

You approved these appointments on August 17, 1978.

I recommend your approval of the commissions for these appointments:

☒ Yes ☐ No

Also, I recommend your approval of the order designating Arthur Levitt, Jr., to be Chairman of this Commission:

☒ Yes ☐ No

Ann M. Davis, of California.

Margaret S. Hansson, of Colorado.

Shepard Lee, of Maine.

Arthur Levitt, Jr., of New York.

Steven E. Weinstein, of Georgia.

*ok, but
check with
Ham*

Ms. Davis is Director of Community Relations and Public Affairs at a local radio station in Los Angeles.

Ms. Hansson is the founder and Chief Executive Officer of Genac, Inc., a manufacturer of products for handicapped children and adults.

Mr. Lee is an automobile, motorcycle and recreational vehicle dealer.

Mr. Levitt is Chairman of the Board of Governors and Chief Executive Officer of the American Stock Exchange.

Mr. Weinstein is Chief Executive Officer of Second Realty Company., the Cleveland Corporation and Real Estate Operations, Inc.

All necessary checks have been completed.

THE WHITE HOUSE
WASHINGTON

10/11/78

Jerry Rafshoon

The attached was returned in
the President's outbox today
and is forwarded to you for
appropriate handling.

Rick Hutcheson

cc: Phil Wise
Fran Voorde

HOLLYWOOD

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| | VANCE |

THE WHITE HOUSE
WASHINGTON

10/10/78

Mr. President:

Fran recommends against
this.

Rick

THE WHITE HOUSE

WASHINGTON

October 5, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: JERRY RAFSHOON

Jerry

On November 14, CBS will carry a TV Special celebrating the 75th anniversary of Hollywood. The show will climax with the unveiling of the new HOLLYWOOD sign which has recently been reconstructed.

As part of the TV Special, they would like to tape a segment of you with Charlton Heston, Kirk Douglas and Jack Valenti talking about the importance of Hollywood and the American film. A replica of the HOLLYWOOD sign would be presented to you.

The taping will be done by the CBS White House crew and should take no more than 15 minutes of your time. They are requesting a time prior to October 31. If you agree to do this, we will have the script prepared.

_____ Will do taping

☒ Will not do taping

J

9:13 AM

THE WHITE HOUSE

WASHINGTON

October 10, 1978

MEETING WITH CARTER BURDEN (CONGRESSIONAL CANDIDATE, 18TH DISTRICT, NEW YORK)

Wednesday, October 11, 1978

9:13 a.m. (two minutes)

The Oval Office

FROM: FRANK MOORE *F.M./BR*

I. PURPOSE

A photo with the President for use in campaign materials.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. Background:

New York's 18th District (Upper East Side, Midtown Manhattan, Greenwich Village) is the country's most white collar congressional district; it has the fourth highest median income in the country. Although it does contain some poor sections, i.e. in the Lower East Side, its voting population is wealthy and liberal. The current incumbent, liberal Republican Bill Green, defeated Bella Abzug in a special election in February 1978, after Ed Koch left the seat to become Mayor. Green is the first Republican to hold the seat since the 1972 redistricting gave it a stronger Democratic tone. The registration here is 3-to-1 Democratic.

Carter Burden, 37, is a former city councilman who ran for city council president in 1977 and lost. He came within one delegate vote of winning the Democratic nomination over Bella for the special election in February for this Congressional seat. He then entered the primary and defeated former Congressman and UN delegate Allard Lowenstein 45% to 40%.

The race is very tight. Burden is personally wealthy, and this could turn out to be the most expensive House race in the country.

B. Participants: Carter Burden

C. Press Plan: White House photographer

page two

III. TALKING POINTS

- A. Burden is likely to extend an invitation to you to campaign for him. The demands on your schedule are such that we recommend you tell him it probably won't be possible. Your staff is working on finding an appropriate administration representative to send in for Burden.
- B. Burden will take a photo with Dr. Brzezinski after seeing you.

THE WHITE HOUSE
WASHINGTON

10/11/78

Jody Powell
Frank Moore

The attached was returned
in the President's outbox
today and is forwarded to
you for appropriate handling.

Rick Hutcheson

THE WHITE HOUSE
WASHINGTON

cc Today + FM

respectively

THE WHITE HOUSE

WASHINGTON

October 10, 1978

PERSONAL

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE

Nancy, the kids, and I were planning to spend the weekend at Camp David, to arrive Saturday after the Congress adjourns. Since you and your family will be using Camp David that same weekend, the military office needs your approval.

I'm thankful that you have allowed us to use Camp David in the past. If you prefer to be alone this weekend, I can easily change my plans.

APPROVE _____ ✓

DISAPPROVE _____

A large, stylized handwritten signature, possibly reading 'J. F. Kennedy', is written over the 'DISAPPROVE' line and extends into the right margin.

THE WHITE HOUSE
WASHINGTON

October 10, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

JODY POWELL *JSP*

Nan and I would like to join Frank and Nancy Moore at Camp David this weekend.

I understand that you plan to be at Camp David. If you would prefer to have the place to yourself, we will certainly find another weekend.

APPROVE ✓

DISAPPROVE

J

THE WHITE HOUSE

WASHINGTON

October 11, 1978

MEMORANDUM TO THE WHITE HOUSE OFFICE STAFF

I would like you to volunteer with me in a commitment to the 1979 Combined Federal Campaign of the National Capital Area. This constitutes our effort on the Federal government level to contribute to 163 voluntary health and social service agencies in the United Way, 13 national health agencies, and six international service agencies.

The CFC asks you to contribute a small amount of each paycheck to a very worthwhile cause which will aid thousands of your fellow Americans. This is the only official solicitation for a financial donation conducted in the White House. The White House CFC drive will begin on October 16, 1978.

I am pleased to report that last year's effort was highly successful. Let's all work together for an even greater accomplishment this year.

Jimmy Carter

*p.s. Please do this 100% and
without delay.*

J

THE WHITE HOUSE
WASHINGTON

Phil
has seen

THE WHITE HOUSE
WASHINGTON

10/11/78

Mr. President:

Sen. Long and Cong. Ullman have
now been scheduled for 7:30 am tomor-
row. Zbig would like to meet with
you at 7:00 am instead of 8:00 am
because of an outside appointment.

☒ approve ☐ disapprove

Phil

the christian CENTURY

OCTOBER 11, 1978



Celebrating an Anniversary



Charles Clayton Morrison.

The Morrison Era at the Century

Robert Wood Lynn

Seventy Years of the Century

Harold E. Fey

- Utilizing Morrison's Legacy
- Controversy over Indian Grave Sites
- A Quadrennium Remembered

the christian CENTURY

JAMES M. WALL
EDITOR

407 SOUTH DEARBORN STREET
CHICAGO, ILL. 60605
312 - 427-5380
HOME 312 - 279-7166

THE WHITE HOUSE
WASHINGTON

10/11/78

Mr. Secretary --

Please note that attached changes protection for President Carter's third child from terminating upon arrival at home to continued protection. Again, the President would like to have USSS pick up protection when Judy goes to the hospital.

Thanks -- Susan Clough

*Original given to
B. Linde for distribution*

THE WHITE HOUSE

WASHINGTON

October 11, 1978

MEMORANDUM FOR

THE SECRETARY OF THE TREASURY

Pursuant to 18 U.S.C., Section 3056, I would like the U.S. Secret Service to take protection of my third grandchild upon its birth.

Jimmy Carter

THE WHITE HOUSE
WASHINGTON

OCTOBER 11, 1978
2 P.M.

MR. PRESIDENT

THE BARBER WILL BE
HERE TOMORROW.

DO YOU WISH TO GET A
HAIRCUT _____

PUT OFF A WEEK ✓

PHIL



THE WHITE HOUSE
WASHINGTON

10/10/78

Mr. President:

Sarah Weddington would like to
see you for 15 minutes soon. If you
approve she could come by at ~~5:00 pm~~
this afternoon. 5:15

☒ approve ☐ disapprove

J

PRJ

THE WHITE HOUSE
WASHINGTON

Phil
has
seen

THE WHITE HOUSE
WASHINGTON

10/11/78

Jack Watson

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the President's outbox. It is
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information.

Rick Hutcheson

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THE WHITE HOUSE
WASHINGTON

October 4, 1978

done
J

MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON *Jack*
SUBJECT: Recommended Phone Call
to Marion Barry

Now that Marion Barry is the certified winner of the Democratic primary for D. C. Mayor, I recommend that you call him and offer your congratulations.

I have not yet met or talked with Mr. Barry, but Louie Martin and I will arrange a meeting with him here at the the White House to offer our help, etc.

THE WHITE HOUSE
WASHINGTON

10/11/78

Stu Eizenstat

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

cc: Phil Wise
Fran Voorde

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THE WHITE HOUSE
WASHINGTON

October 6, 1978

done
C
Will visit later
J

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT *Stu*

SUBJECT: Telephone Call to Isaac Singer

I would like to suggest that you call Isaac Singer to congratulate him on winning the Nobel Prize for literature. He is only the eighth American to win the prize. I have also recommended that Singer be named to the Holocaust Commission; he agreed to serve if you asked him.

The other American winners were:

| | |
|------|------------------|
| 1976 | Saul Bellow |
| 1962 | John Steinbeck |
| 1954 | Ernest Hemingway |
| 1949 | William Faulkner |
| 1938 | Pearl Buck |
| 1936 | Eugene O'Neill |
| 1930 | Sinclair Lewis |

THE WHITE HOUSE
WASHINGTON

10/11/78

The Vice President

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

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THE VICE PRESIDENT

WASHINGTON

October 2, 1978

*Fritz -
good
J*

MEMORANDUM TO THE PRESIDENT

FROM: THE VICE PRESIDENT

A handwritten signature, likely of the Vice President, is written over the printed name.

Attached is a good analysis of the Proposition 13 phenomenon.

I thought you might be interested in reading it.

The Message of Proposition 13

Seymour Martin Lipset and Earl Raab

THE Jarvis-Gann Constitutional Amendment, limiting property taxes in California, has touched off speculation about a conservative backlash and the ascendance of a New Right in America. But analysis suggests that the trend exemplified by the "taxpayers' revolt" confounds the traditional political designations.

In 1946, according to Gallup, Americans who wanted taxes cut outnumbered those who did not by only four percentage points (48-44). By 1963, the gap was 44 percentage points (63-19). In 1969, 54 per cent of Americans told the Harris survey that they had "reached the breaking point" with respect to the amount of taxes they paid; that figure was up to 66 per cent by 1978.

Those who are unhappy use a simple consumer's measure: in so many words, only 23 per cent of the people queried by the Harris poll in 1971 thought they were getting their "money's worth from tax dollars." In this sentiment no more than two or three percentage points separated whites from blacks, Democrats from Republicans, or one income group from another. All felt put upon. In that same year, about 7 out of 10 told Harris that the time was coming when they "would sympathize with a taxpayers' revolt," involving a refusal to pay taxes—again with little difference in view related to whether they were white or black, and whether their income was around \$5,000 or over \$15,000.

The pressure has increased along with inflation. About one out of three Americans ranked inflation as their chief worry in 1977; in 1978, two out of three Americans did so. The "money's worth" was diminishing rapidly. In response, public officials uniformly promised tax reduction, but they did not deliver. Then the California property tax

provided the dramatic breakthrough. California real-estate inflation had been brutal, often triple-digit over a few years' span. It was common for people who had bought a modest home for \$20,000 to find themselves paying taxes ten years later on a home assessed at \$90,000. No one was surprised to learn that the home of a Los Angeles man had been reappraised to \$60,000 in 1977, and reappraised again in 1978 to \$104,000, with a jump in taxes from a little over \$2,000 to a little over \$3,500. It became a hardship for many people to live in their own homes, and obviously there was no point in selling for the profit to buy other inflated houses at proportionally higher interest rates.

While these and other taxes were rising so much faster than income, the number of state and city employees was also increasing faster than the population. In the period 1970-75, the number of state and local employees rose by 21 per cent, while the state's population grew by only 6 per cent.

But the tipping point in the California situation was a sizable tax-generated surplus that public officials in Sacramento continued to sit on despite the growing tax lament from the public. Inflation pushes many taxpayers into higher brackets in all graduated-income-tax systems as their dollar earnings (although not their real earnings) go up. Under the Reagan administration, the California income tax had been made even more progressive than before, producing a visible and well-publicized \$5.7 billion surplus by 1978. This was available for distribution, or to serve as the basis of a tax cut. But instead of proposing such remedies, Reagan's successor, Governor Jerry Brown, apparently preferred to hoard the surplus in order, according to some, to use it to advantage in his reelection year. As State Treasurer Jesse Unruh has pointed out, this enormous surplus constituted a standing public invitation to Proposition 13, the Jarvis-Gann Amendment. For this reason, Unruh has called Brown "the father of Proposition 13," although the Governor opposed the measure—with somewhat waning vigor as the polls showed increasing support for it. The polls were accurate: Proposition 13—which rolled back property taxes to 1 per cent of market value as of 1975, prohibited local taxes

SEYMOUR MARTIN LIPSET is a Senior Fellow at the Hoover Institution and professor of political science and sociology at Stanford University. He has recently edited *Emerging Coalitions in American Politics* (Institute for Contemporary Studies) and is the author of many other works, including *Political Man*, *Rebellion in the University*, and (with Irving Louis Horowitz) the forthcoming *Dialogues in American Politics*. EARL RAAB is executive director of the Jewish Community Relations Council of San Francisco. Messrs. Lipset and Raab are co-authors of *The Politics of Unreason: Right Wing Extremism in America*, a revised edition of which has just been issued by the University of Chicago Press.

from rising more than 2 per cent a year, and put other checks on tax-raising—passed by nearly a two-to-one margin.

But while the surplus may have been idiosyncratic to California, it was, even for Californians, only the final straw. They were obviously using the occasion to express themselves on the matter of tax burdens in general. And indeed, this is how their vote was taken, by politicians in California and everywhere else, as well as by the American public. After the California vote, a New York *Times*/CBS News poll found that the whole country was jubilant. Again by a two-to-one margin (51-24), Americans said that they supported a similar measure for their own jurisdictions.

BUT if California's Proposition 13 was the messenger, what really was the message? To what extent do the taxpayers just want to keep their money, as against seeking their money's worth? What services are they willing to give up? What do they expect from government?

One stream of opinion on the subject was articulated by Senator George McGovern when he said that Californians had acted on a "degrading hedonism that tells them to ask what they can take from the needy." He also saw "undertones of racism" in Proposition 13. According to others who share this view, Proposition 13 is an expression of "mean-spiritedness" and the harbinger of the conservative and/or racist backlash which has allegedly been around the corner for the past dozen years.

There is no doubt that self-interest (which, however, is not necessarily the same thing as mean-spiritedness) was a factor in the Proposition 13 vote. A Los Angeles *Times*/CBS News election-day poll of those who voted revealed that 72 per cent of homeowners (who stood to gain) had opted for the measure as against 47 per cent of the renters (who had nothing to gain), while only 44 per cent of those with public employees in their family said they had backed the measure, as compared to 65 per cent of the total population.

What is noteworthy, however, is how many voters with an apparent interest in the defeat of Proposition 13 nevertheless went for it: 44 per cent of families of public employees, 47 per cent of renters, and 42 per cent of blacks. In these categories, the majority who voted opposed Proposition 13; but in every *economic* category, it was the other way around. Thus the measure was supported by 55 per cent of those with incomes under \$8,000; 66 per cent of those in the \$8-15,000 bracket; 67 per cent of those in the \$15-25,000 class; and 61 per cent of those with incomes above \$25,000.

A similarly mixed picture appears when we look at the vote in terms of ideological categories. As might have been expected, 82 per cent of self-designated "conservatives" voted for the measure.

Yet here too what is noteworthy is the large number of self-described "moderates" (63 per cent) and "liberals" (45 per cent) who voted for it.

Clearly, then, the victory of Proposition 13 represents something more complex than a triumph of selfishness and/or old-line conservatism. In trying to understand what that something is, we might begin by noting that the evidence from a variety of opinion surveys reveals that a growing number of Americans, when asked to describe themselves politically, say that they are conservatives. In 1964, according to the New York *Times*/CBS poll, the ratio of self-described conservatives to self-described liberals was fairly even (32-27); today, the gap has widened considerably (42-23).

But what do people mean when they call themselves conservatives? Evidently it has to do with distaste for a growing, interfering, and cumbersome government. Thus in 1964, according to the Gallup poll, Americans were almost evenly split (42-39) on the issue of whether "the government has gone too far in regulating business and interfering with the free-enterprise system." By 1978, when the New York *Times*/CBS poll repeated the question, Americans had come to agree with the statement by a margin of 58-31 per cent. Not surprisingly, self-described conservatives now endorse this statement overwhelmingly (67-26); what is surprising is the fact that even "liberals" divide in favor of it by 45-35 per cent.

The percentage of people who think that "government is spending too much" has also risen steadily since 1973. But "too much" is a famous term of relativity. It may be considered too much with respect to the income of the citizenry; but it may also be considered too much with respect to the quality of the product. This is the "money's worth" question. And the overwhelming tide of opinion, especially "conservative" opinion, identifies this government deficiency as "waste." In 1958, only 42 per cent of those polled told Gallup interviewers that "the government wastes a lot of the tax money"; by 1978, 78 per cent of Americans thought so (New York *Times*/CBS News). A vast majority of blacks also agrees with this view.

"Waste in government" was the key phrase in the Proposition 13 campaign. Mervin Field of the California poll reports that the main comment made by proponents of Proposition 13, other than "Taxes are too high," was "The time has come to cut government costs, waste, and inefficiency." Field noted that prior to election day, the California public believed that a cut of 10 per cent in tax revenues could be accomplished without any decline in state and local government services. And three-quarters of Californians in favor of the Proposition, in the Los Angeles *Times*/CBS News election-day poll, said that they did not think public services would be reduced by Proposition 13. After the California vote, a vast majority of Americans nationally (89-5 per cent) interpreted

it as "a strong protest that people running government will have to respond by trimming a lot of waste from government spending" (Harris/ABC).

DOES there begin to appear an anomaly in the position of those who supported Proposition 13? After all, it was reliably estimated that \$7 billion in revenue would be lost to the state as a result of the measure. Surely two out of three Californians did not believe that paper clips and bureaucratic perquisites could account for that much fat. And indeed, three weeks after the election, a majority of the supporters of Proposition 13 told Los Angeles Times interviewers that they still favored the amendment, even though they now recognized that there would have to be some cuts in services. Was, then, the cry against "waste in government" merely a cover-up for "hedonistic" and "mean-spirited" impulses to cut services for the needy? The evidence indicates that the answer to this question is no, and that the cry against government is genuine.

In all surveys, the percentage of people who say that they trust or have confidence in the government has dropped steadily. In one recurrent poll (the University of Michigan's Survey Research Center) the percentage trusting the government dropped from 78 in 1964 to 33 in 1976. More and more Americans think that the people running the government "don't know what they're doing."

But more significant in refuting the interpretation of Proposition 13 as pure "hedonism" is the fact that the desire for government to intervene in beneficent ways has not diminished. The New York Times/CBS poll reports that in 1960 63 per cent of Americans agreed that "the government in Washington ought to see to it that everybody who wants to work has a job." This year, 74 per cent of the people in general—and 70 per cent of those who describe themselves as "conservative"—approved that mandate for government. In 1960, about 64 per cent of the people endorsed the proposal that "the government ought to help people to get doctors and hospital care at low cost." This year, 81 per cent of those interviewed by the New York Times/CBS poll agreed. In the fall of 1976, the University of Michigan's Survey Research Center asked a national sample whether they thought "government should spend less even if it means cutting back on health and education." Only 21 per cent favored spending less under such circumstances while 75 per cent opposed the cut. In the same year, 67 per cent of those polled by Gallup thought that government help for the elderly should be increased, while only 3 per cent said it should be reduced; 51 per cent thought that there should be more government support for health care and only 13 per cent said there should be less; 44 per cent felt there should be more government intervention on behalf of the unemployed, as compared to 19 per

cent who believed there should be less. There was no significant difference between the attitudes of professional and business people and manual laborers, or among the various income classifications.

This common support of beneficent government intervention, substantiated by survey after survey, cannot be written off by saying that people are only interested in maintaining social programs of direct benefit to them. No doubt a certain amount of "there-but-for-the-grace-of-God-go-I" sentiment has always sustained liberal social programs; but the figures do not confirm the charge that it is narrow self-interest which motivates the well-to-do and the ideologically conservative to favor government help for the aged and the needy. Rather, Americans seem to have developed an irreversible commitment to basic government welfare programs, as they did, finally, to social security. It is now as natural to them as getting up in the morning.

THERE seems to be one nagging exception to this generalization which itself throws light on the attitudinal sets in the country. The word "welfare" constantly draws antipathy from the American public. When asked by the Los Angeles Times/CBS poll which services they would least like to see reduced, if services had to be reduced, 75 per cent of Californians who voted on June 6 named police protection, while only 11 per cent said welfare programs. (Actually, if this was an index of "mean-spiritedness," it did not differentiate sharply between those who had supported Proposition 13 and those who had opposed it: about 9 per cent of the former and 14 per cent of the latter listed welfare as the leading candidate for a cut.) The California (Field) poll also found 62 per cent choosing "welfare and public-assistance programs" as the prime target for a cutback, as compared to the 6-8 per cent who favored cuts in fire and police departments.

This attitude toward "welfare" is by no means new. In 1935, in one of the first surveys Gallup ever took, 60 per cent of the respondents said that the government was expending too much money for "relief" (the contemporary term for what later came to be called welfare) while only 9 per cent replied that the government was spending too little. The majority of Americans continued to show disdain for "relief" all during the Depression. But the same polls which produced these results revealed a considerable majority in favor of the government's providing jobs for the unemployed, and for requiring those on relief to accept such jobs.

This general response pattern has remained substantially unchanged over the years. In a 1970 Harris poll, Americans approved (46-34) the proposition that welfare should be abolished, and that welfare recipients be made to go to work. But the same respondents overwhelmingly supported (56-

28) the idea that government programs should be increased to help the poor. Again, in a 1976 survey, Harris found that 62 per cent favored (and only 23 per cent opposed) "a major cutback in federal spending." However, confronted with a list of specifics, substantial majorities of the same respondents *rejected* cutbacks in spending for education, health, help for the unemployed, equal opportunity for minorities, environmental protection, and product safety. It was only on welfare that a majority (56-35) favored a cutback.

The juxtaposition of these two answers—cut welfare, increase help for the poor—poses a puzzle which turns up again and again. Thus in 1977, the white population was evenly split (39-39) on whether welfare programs should be greatly decreased, but three-quarters of them said that the government should spend money to provide job incentives for the poor (Roper). In 1977, the American public approved by 80-13 per cent the idea that all able-bodied people should be removed from the welfare rolls, but also stated by a similar majority that the government should provide public-service jobs, with tax money, for those who could not find jobs in private industry. And by about the same margin (78-15), the American public agreed that its tax money should continue to be expended on the aged, blind, disabled, and one-parent families with children under the age of seven (Roper). There was no significant difference in the answers to these questions by self-styled conservatives and self-styled liberals.

The numbers may be subject to various degrees of distortion, but the answer to the puzzle is clear. Americans—especially that growing contingent of self-identified "conservative" Americans—are willing to pay taxes to assist the needy, but they are not satisfied with the way that portion of their tax money is being spent.

There are three strikes against "welfare." It still durably connotes "relief," "dole," something for nothing, economic waste. It is connected to the sometimes exaggerated, sometimes prejudiced sense of how many able-bodied people are on the rolls, or how many prefer not to work. As a program it seems to epitomize bureaucratic government at the worst: inefficient, ornately overlaid, corrupt, unfathomable, feckless.

But helping the poor by providing jobs is another matter entirely. Thus in 1972 Gallup asked: Suppose it would cost the government less money to give poor people cash payments than to have government train them, find jobs for them, and, if necessary, provide care for their children while they work? About 81 per cent responded that they would prefer the more costly program; only 9 per cent said they would favor the less expensive one.

The message, then, is: help the poor but get rid of "welfare." That "liberal" message is consistent with the nature of our new self-styled "conservative."

THIS hybrid political animal has, of course, been spotted before. In 1967, for example, Hadley Cantril and Lloyd Free found that many Americans were "ideological conservatives"—that is, anti-statist in their political beliefs—and "operational liberals," in the sense that they supported government action to create jobs. The number of such people is growing. More precisely, ideological conservatism has been growing as a partner to a continually dominant operational liberalism. This orientation is often described as neoconservatism, but it might just as accurately be called neoliberalism. The former designation emphasizes the belief that expansion of government services at the current welfare-state level should, in lawyer's language, be suspect—subject to proof that a real problem cannot be dealt with in another fashion. The latter term emphasizes the continuing acceptance of collective responsibility to provide for the impoverished and the disadvantaged.

But if this hybrid phenomenon is the most dynamic force in the American political culture today, it also poses a dilemma—perhaps the new American dilemma, which, like Gunnar Myrdal's old one, also encompasses a contradiction between practice and ideology, this time in the arena of government intervention. Is it finally possible to hold down the monster state while dealing with the sheer bulk of services of every kind our society seems increasingly to need?

The "tax revolt" is perched at the edge of this huge question, whose answer will probably evolve rather than be calculated. But the tax revolt raises a more practical and immediate question as well: will the politicians quickly enough recognize and accommodate to the growing neoliberal (or, if one prefers, neoconservative) mood, or will they misread it, one way or another, according to their predilections?

If characterizing the tax revolt epitomized by Proposition 13 as "mean-spiritedness," or "hedonism," or "racism" is to misread it on the one side, to interpret it as the sign of a swing to old-line conservative or right-wing Republicanism is to misread it equally on the other. For not only did California Democrats give Proposition 13 a landslide vote of support, 57 per cent to 43, but California Republicans chose the moderate Evelle Younger as their gubernatorial candidate over the more conservative Ed Davis.

Nationally, too, the same pattern is evident. The growth of tax-revolt sentiment has been accompanied by a parallel growth of identification not with the Republicans but with the Democratic party (Democrats now outnumber Republicans by 45 per cent to about 20 per cent in the polls). In practical terms, both Gallup and the New York Times/CBS polls estimate that the overwhelming Democratic majority in Congress will be renewed this November, even though the out-party usually

makes a comeback in congressional contests held in non-presidential election years. In addition, the Democratic party—the party which has stood for expanding social services—has gained overwhelming control of government from the county court-houses to the state and national legislatures, and from governorships to the Presidency, during a period when the proportion of self-identified conservatives and anti-tax sentiment have been increasing steadily.

Nor are the elements of a classic right-wing extremist movement present in Proposition 13. Howard Jarvis, who has been plumping for this kind of tax measure for over ten years, suddenly found himself at the head of a parade he did not assemble. He may be a culture hero at this point, but he is not a political leader. Extra-partisan movements, whether rightist or leftist, usually make headway when they espouse a cause which is not embraced by one of the major coalition parties. Such movements have always been done in by the fact that one of the major parties, following the logic of its coalitional nature, took over their cause in a more moderate form. That seems to have happened already in California. It remains to be seen, however, if the politicians understand exactly what it is they have embraced.

The strong support of Proposition 13 by Demo-

crats, in California and around the nation, provides the clue. As the survey data show, these Democrats have not abandoned their desire for a socially protective government. (On the contrary, most Republicans have tended to join them in that desire.) But the Democrats increasingly consider themselves "conservative" in their queasiness about the way government is growing and acting.

If, then, the public mood today is against enlarging the power, scope, and size of government in order to solve social problems, as advocated by George McGovern, Edward Kennedy, or the Americans for Democratic Action, it is also against returning to the laissez-faire small-government philosophy proposed by Ronald Reagan, Milton Friedman, or the American Conservative Union. Reagan, however, appears to be shifting: in a post-Proposition 13 speech he challenged his image as a "right-wing person" by pointing out that as governor he had made the California income tax more "progressive" and had increased welfare grants "by 43 per cent for the truly needy." Evidently he at least understands what analysis of the tax revolt tells us—that the predominant public mood is not "right-wing" but the neoliberal (or neoconservative) impulse to combine support of collective social responsibilities with a suspicion of growing government power.

THE WHITE HOUSE
WASHINGTON

October 11, 1978

Frank -

15 minute -
no progress -

J

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *zm.*
JIM FREE *J.F.*

SUBJECT: REQUEST TO CALL JOHN DINGELL (D-MICH)
RE: GAS GUZZLER TAX

Cong. Dingell was told this morning that we could not accept his compromise on the gas guzzler tax. The Congressman is very upset and demanding to speak with you. He is threatening to oppose us on the Rule for the energy bill.

Our position on the gas guzzler issue has been basically to leave the choice to the House leadership and the conferees. We did, however, express a preference for the stronger version of the gas guzzler, but made clear that we would support the leadership whatever their decision. The leadership decided to agree to the present position. Dingell's objections notwithstanding. The signatures of enough House conferees were obtained and sent to the Senate. Now Dingell comes with his offer in conjunction with Senator Dole. Our position is as stated above. We are staying with Chairman Ashley and the majority of the conferees in this decision.

TALKING POINT

John, throughout this process you've always advised me to stay with the House positions. That advice has served us well, and we are not now in a position to change a long-standing practice. Now in this situation Congressman Ashley, Speaker O'Neill and a majority of the House conferees have agreed to a position that you do not agree with. My hands are tied and I hope you won't hurt my strategy because of your problem with the House conferees.

*ITCom. Inc. imports 100,000 units by 1985
Save 3000 \$/day = net loss bal. of 384 mil/yr.*

THE WHITE HOUSE
WASHINGTON

10/11/78

FOR THE RECORD:

Moore was given a copy of
the attached today.

THE WHITE HOUSE
WASHINGTON

October 10, 1978

Frank
J

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *F.M./BR*
BILL CABLE
JIM FREE

SUBJECT: ENERGY PHONE CALLS

> Jim Lloyd (D-Calif) 2 *R-1 B-1*

Jim has almost committed on the procedural question and said he supports the package. You could get his vote and get him to work on his California colleagues.

Bernie Sisk (D-Calif) 3 *✓*

He is on the Rules Committee and will be key to getting the rule. Gillis Long will try in committee to offer a rule allowing for a separate vote on gas. We need him to support the Chairman, Mr. Delaney, in committee and vote for the previous question, Rule and the Bill.

Claude Pepper (D-Fla) 3 *✓*

He too is on Rules and needs to have the same pitch regarding Gillis Long's efforts in Committee. Mrs. Carter was in his district recently, and he helped us on the Department of Education in Committee. We need his help all the way.

> Berkley Bedell (D-Iowa) 4 *R-3 B-1*

He says he supports our position on gas because of the Agricultural Preference, but wants the others to have a separate vote. You need to stress the package as the bill and ask him to support the vote and rule.

Mendel Davis (D-SC) 5

He is opposed to the package, and is working against us. You should thank him for his help on the public works veto; he spoke on the floor and ask him to help us or at least not work against us.

> Les AuCoin (D-Oregon) 2

R-5 B-1

He has had several contacts and is almost with us -- you could lock him up.

> Pete Stark (D-Calif) 5

R-5

B-1

He is working with Phil Burton against us. Several talks on the Hill think you could get him to lay low or maybe even help. "Can help on good parts"

> Joe Early (D-Mass) 2

R-2

B-2

You talked to him before but you need to ask again and get him to say he is with you -- "can I count on your help?"

> Bob Dornan (R-Calif) 0

R-1

B-1

Bob is L+ on the package but like all Republicans is being pushed by the party to keep you from a victory. He was in Rome on his own for both the funeral and coronation and wants to go to the next ceremony as part of the official party.

> David Emery (R-Maine)

L+ on Package

R-3

B-2

Has gone with us on many occasions and favors the package.

> Bill Frenzel (R-Minn)

3

R-4 → 2

B-1

Bill was favorably impressed with the breakfast and will support the package but is not committed on the procedural issues.

If rule vote will impair
the bill, he will consider switch
on rule

> Jim Leach (R-Iowa) 3

R-2 B-1

Again with us on the issue especially due to the agricultural exemption. He could bring Grassley too.

> Glenn Anderson (D-Calif) 2

R-1 B-1

He is our airline deregulation/noise chairman. He needs to be asked and could help with others in Southern California.

*Could please both
Sides by voting "no"*

Machinists - Apisinger = no

Long Beach - oil = no

> Gladys Spellman (D-Md) 4

R 3 B 5-

Feeling "liberal" pressure. The good of the nation and the record of the Congress could be ways to reach her.

> Ed Beard (D-RI) 3

Usually he and St. Germain stay together. St. Germain is showing up as a 4. We need to get Ed before he is lost.

R-1
B-3

"Will talk to St. Germain"

> William Ford (D-Mich) 3

He will probably go with Dingell, but we need him working with us actively. He is pleased with the bulk of the outcome on Civil Service.

R-3
B-3

*Mich. dele. great difficulty
Dingell most influential. Riegel = Fritz called*

> Helen Meyner (D-NJ) 3

She has a tough race but usually stays with us on issues. She has been great in foreign affairs matters.

R-1
B-3

> Matt McHugh (D-NY) 4

He is new on the foreign aid appropriations subcommittee and has helped us extensively. The international implications of trade and oil dependence should help move him.

R-2
B-2

John Seiberling (D-Ohio) 3

R-3
B-3

> Truly undecided. Needs to be convinced on the merits of its value.

Frank "Get undecideds together for briefing"

Jim Weaver (D-Wash)

We have good responses f should be moveable.

scratch weaver....

you talked to him yesterday... and we have him.

> Chris Dodd (D-Conn) 3

Chris is on the Rules Committee and could be critical there as well as on the floor. "Our entire effort will be judged on this vote, the rule and the package. I need your help."

R-1
B-2

> Fernand St. Germain (D-R.I.)

Safe banking act cut off

R-2
B-3

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THE WHITE HOUSE
WASHINGTON

FOR THE RECORD:

TIM KRAFT WAS GIVEN A
COPY OF THE ATTACHED
WHEN IT WAS RETURNED FROM
THE PRESIDENT ON OVT 11

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THE WHITE HOUSE
WASHINGTON
October 2, 1978

Done
J

MEMORANDUM FOR THE PRESIDENT

FROM: TIM KRAFT *TK*

SUBJECT: Telephone Calls - Week of October 2, 1978

Bob Georgine
Washington, D.C.
(o) 347-1461

Bob Georgine, President of the Building Trades Department of the AFL-CIO, bucked the AFL-CIO by supporting the Administration's natural gas bill. He has worked with the White House to build support for the measure in Congress. You should call to thank Bob for his help and, if the measure is still pending before the Congress, to ask for Bob's assessment of the bill's chances. Georgine will probably raise the issue of Administration review of the Davis-Bacon Act (which requires the federal government in its construction contracts to pay the prevailing wage rate in a given area for construction work done in that area). Ambassador Strauss, after meeting with a group of construction contractors, asked OMB to undertake a review of the Davis-Bacon Act. You might want to assure Georgine that no review of the Davis-Bacon Act or other labor laws and standards and their application will be undertaken without the direct involvement of the Secretary of Labor.

NOTES: *Encl 1 w of miss. R.*
Probs. in N.E.

J

> Joe Toner

Wilmington, Delaware

(o) 302/571-7520

(h) 302/328-2219

Joe is a member of the County Council of New Castle County, Delaware. He is also the elected Chairman of the Democratic County Officials Conference. He and two other county Democrats (Jean Malchon-Florida-also on Air Quality Commission, and Harold Hayden-Michigan-Black) were elected to sit on the DNC earlier this summer. We have asked Joe to get lists of democratic county officials in every state. With the help of others like Lynn Cutler and Dan Lynch, he is beginning to do this. A call from you would give a tremendous boost to the effort to get county democratic officials organized in time to help us in 1980. The Republican National Committee has seen fit to pour money and other resources into the Republican County Officials Group.

NOTES: Biden - Very good = will carry ticket

Glad to help. WH staff doing much better

> * Jess Unruh

Los Angeles, California

(o) 916/445-5316 (Sacramento)

(h) 916/456-5319 (Sacramento)

(h) 213/620-4467

Mr. Unruh was Speaker of the Assembly in California for eight years, 1961-1968, serving in the Assembly from 1954-1970. He ran against Ronald Reagan for the governorship of California in 1970, and currently holds the position of State Treasurer. Mr. Unruh endorsed you just prior to the Maryland primary and worked in several other primaries as well as the general election.

NOTES: Polls

Working with Tim

"Your guy in California"

* The DNC is putting 4 Regional Coordinators into the field. The Western office will be based in San Francisco, and the coordinator is Tick Segerblom, our earliest staff person in Pennsylvania and one of my right-hand people throughout the campaign. It would help a lot to mention this.

TK

THE WHITE HOUSE

WASHINGTON

August 18, 1978

Not made
J

MEMORANDUM FOR THE PRESIDENT

FROM: TIM KRAFT *TK*

SUBJECT: Telephone Calls - Week of August 21, 1978

C

> Marty Hughes
Cleveland, Ohio
(o) 216/333-6363
(h) 216/333-3033

Marty Hughes is an International Vice President of the Communications Workers. He was an early supporter in Ohio, and was very helpful to the Carter-Mondale campaign during the general election. CWA is putting a lot of resources into the Democratic campaigns in Ohio in 1978 -- Dick Celeste, etc.

NOTES:

Planning for '80
Wants Lambros judge. I told him
We'd have 2 more opportunities in Ohio

> Ed Davis
Marshalltown, Iowa
(o) 515/483-2709
(h) 515/483-2466

Ed and Marilyn Davis were the last civilians to ever drive you around (before you picked up Secret Service). They were never active in Democratic politics in the State, but have continued to be since their participation in the caucuses. Ed has just agreed to help Jerry Fitzgerald. He and Marilyn have always been supportive of you (a rarity among the Iowa early Carters). Ed runs a farm equipment business and Marilyn is a housewife.

NOTES:

Jerry timid - postcard vote effort.

Available to help.

-2-

> Thomas Bradley (Mayor)
Los Angeles, California
(o) 213/485-5175
(h) 213/485-6284

Tom Bradley was city councilman for the 10th district of Los Angeles from 1963-1973. After an unsuccessful campaign for mayor in 1969, he was elected Mayor of Los Angeles in 1973. Mayor Bradley was a delegate to the Democratic National Conference in 1974 and co-chairman of the Democratic National Convention in 1976. He is a member of the Los Angeles Urban League, the NAACP, Southern California Conference on Community Relations, Los Angeles County Conference of Negro Elected Officials, and UN Association of Los Angeles.

NOTES: Trip in doubt

> Michael A. Bilandic (Mayor)
Chicago, Illinois
(o) 312/744-3300
(h) 312/225-3400

Jim Fallows has heard rumblings from some local officials in Chicago who feel the local party organization has been totally neglected by the White House. A phone call from you would help to soothe these feelings. He did not attend your meeting with Mayors on August 9th.

NOTES: Res. - Joan - Fritz = Mike has tough
race = Congrat on override =

> John Martin
Augusta, Maine
(o) 207/289-3384
(h) 207/444-5560

Speaker of the House, State of Maine. You last saw him when you were in Bangor, Maine. You might want to discuss with him the Maine Indian problem, the possible closing of Loring Air Force Base and the Dickey-Lincoln Dam.

NOTES: Bill Hatheway needs help -
race close - looking fwd to my
10/21 visit J

-2-

> Mary Ellen and/or Lynne Chamberlain
Davenport, Ia.

(h) 319/355-5742

(h) 319/355-5862

(319) 324-9578

Lynne was our original Steering Committee member from Davenport area (Bettendorf, to be exact), Mary Ellen was the real organizer and powerhouse. She is still considered one of the best in the state, is presently helping with the Dick Meyers for Congress campaign and most recently a paid staffer with the Dick Clark Re-election Campaign. Dick, the truck-stop owner from Coralville, was also an early contributor and helper.

NOTES: Dick Clark race too close

Dick Meyers. ?

Lost 50 lbs! Won't recognize in Memphis.

> David (Dave) Roe
St. Paul, Minnesota

(o) 612/227-7647

(h) 612/546-4886

President of the Minnesota AFL-CIO; one of the most powerful political figures in Minnesota, a close ally of the Vice-President and of the late Senator Humphrey; he is the major unifying force in Minnesota this year when most of the major candidates are inclined to go their own way; he is forcing them to get together and work together; a strong Carter-Mondale supporter in '76 and he continues to be a strong supporter; comes originally from the building trades, which tends to dominate the Minnesota AFL-CIO; the Vice-President has agreed to address his state convention in October.

NOTES: Wendy picked up 17 points - 4 pts down

Short ok

Perpich - ok =

THE WHITE HOUSE
WASHINGTON

MEMORANDUM FOR THE PRESIDENT

FROM: TIM KRAFT

SUBJECT: Telephone Calls - Week of August 14, 1978

> John Driscoll
Bridgeport, Connecticut
(o) 203/288-3591
(h) 203/372-1917

President, Connecticut State Labor Council, AFL-CIO.
Supported candidate Carter. His wife is a judge on
the Juvenile Court in Connecticut. We appointed her
to the National Advisory Council on Juvenile Delinquency.

NOTES: Grasso polls too good (51-44) = Labor united
Employment pretty good - some pockets unemp.
9-4-70 = wife working hard

Paul Tipps
Cincinnati, Ohio
(o) 513/579-8000
(h) 513/321-1550

Paul Tipps, Ohio Democratic State Chairman, has been very
supportive of the President. He should be thanked for his
support. You might want to indicate that you are looking
forward to your September 16 trip to Ohio for a Democratic
Party fundraiser. Paul can be asked his assessment of the
chances of the Ohio ticket in November (will Celeste beat
Rhodes? Will Democrats lose any Congressional seats?) He
can be asked how the Administration is perceived in Ohio.
(If before August 13 vote) he can be asked whether Mayor
Dennis Kucinich will be recalled, and if so, whether
Kucinich will be reelected as Mayor.

NOTES: Talked to him

2

➤ Vic Bussie
New Orleans, Louisiana
(o) 504/383-5741

Vic is the President of the Louisiana AFL-CIO. He wields a great deal of power in political circles in Louisiana and is a strong supporter of the President. He wants very badly for you to be re-elected to a second term -- he attended the state constituent briefing for Louisiana last month and expressed his concern that somehow the rank and file be "gotten off their tails" to work for your re-election this next time around. He is also very close to Esther Peterson.

NOTES: En unemp. up slightly - don't know
why.
Supportive

Marty Schreiber

Madison, Wisc.

(o) 608/266-1212

(h) 608/266-9922 (family line)

Governor of Wisconsin; succeeded Pat Lucey when latter was named Ambassador to Mexico; has had his share of problems with Legislature and public employee strikes; was engaged in an expensive primary battle, but Schreiber won Sept. 12. He will face an even tougher general election contest against former Chancellor of the University of Wisconsin, Lee Sherman Dreyfus, who upset Congressman Robert Kasten in the GOP primary Sept. 12.

NOTES:

Wife - Son - Fritz - all in -
GOTV

-3-

Stanley Steingut
Albany, New York
(o) 518/472-3100 (Albany)
(o) 212/227-1157 (New York)

Stanley Steingut is Speaker of the House and one of the most powerful political people in New York. He was not an early supporter of yours but helped considerably in the General. We need to develop a close relationship with Stanley. He can help us with the New York Congressional delegation on key votes and he can also help us build support in the New York State Legislature. If Carey loses in the fall, he will be our focus of attention for '80.

NOTES:

He lost -

For met with him

THE WHITE HOUSE
WASHINGTON

10/11/78

Frank Moore

The attached was returned
in the President's outbox
today and is forwarded
to you for appropriate
handling. The letters
are for delivery to
the Hill.

Rick Hutcheson

THE WHITE HOUSE

WASHINGTON

October 11, 1978

*Let's don't
send too
many
letters
J*

MEMORANDUM FOR THE PRESIDENT

FROM:

FRANK MOORE *FM / pd*

TERRY STRAUB *T.S.*

SUBJECT:

Letters to Members of Congress Regarding the
Foreign Intelligence Surveillance Act

The attached letters urging support of the conference report on the Foreign Intelligence Surveillance Act are to be sent to Democratic Members of the House who did not support this legislation last year. With these Members, we felt a letter from you might win their support this year.

If you do not wish to sign the letters personally, we will send them to be autopenned.

THE WHITE HOUSE

WASHINGTON

October 11, 1978

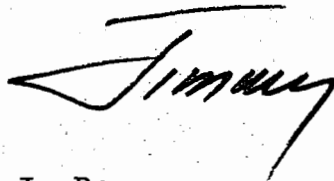
To Congressman Don Pease

The House of Representatives is scheduled to vote this week on the conference report to the Foreign Intelligence Surveillance Act. This legislation has been carefully developed over several years, by Executive and Congressional leaders of both parties, to protect both the strength of our nation's intelligence agencies and the privacy rights of our citizens.

Griffin Bell, Harold Brown, Stan Turner, and the Directors of the FBI and NSA have worked hard over the past year to secure passage of this bill. They are pleased with the work of the conference committee in resolving the relatively minor differences that existed between the House and Senate versions of the bill.

I join them in urging you to vote for passage of this well-balanced, long overdue initiative.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jimmy", with a stylized, sweeping flourish extending from the end.

The Honorable Donald J. Pease
U.S. House of Representatives
Washington, D.C. 20515

THE WHITE HOUSE

WASHINGTON

October 11, 1978

91

MEMORANDUM FOR THE PRESIDENT

FROM:

JERRY RAFSHOON *JR*

SUBJECT:

LES FRANCIS MEMO ON VETO STRATEGY

I concur with Frank and Les on the veto strategy. We've got all we'll get out of public vetoes. Vetoes after the session are still essential so you don't lose your credibility on sugar, taxes, highways, etc.

cc: The Vice President
Frank Moore
Les Francis
Hamilton Jordan

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

October 11, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze ^{CLS}

Subject: George Perry's Forecast of a Recession in 1979

The Vice President recently sent you a memo on George Perry's recession forecast for 1979. You asked for a brief comment.

George Perry is a good friend, a long-time colleague, and a forecaster whose judgment I respect. In this case, however, I think George is wrong. He is forecasting a development that many other well-known and respected forecasters do not anticipate.

Attached is a table comparing forecasts from five different sources: 1) the CEA Interagency Forecast Group (just completed); 2) the Federal Reserve Board staff; 3) the Data Resources Incorporated (DRI) econometric model; 4) the Wharton econometric model (Larry Klein); and 5) the MPS econometric model, which is one of the models we use at the CEA. The DRI and Wharton model forecasts contain large elements of judgment inserted by Otto Eckstein and Larry Klein, respectively. The MPS model forecast is what that model produces on its own without significant judgmental adjustments by the CEA.

Four of these five forecasts are for a real growth rate a little under 3 percent in 1979 (compared with about 3-3/4 percent in 1978). Judging by other forecasts I have seen, that would come close to a consensus among professional forecasters. Expectations for 1980 vary. Some forecasters think the economy will strengthen in 1980; others believe it will be weaker.

George Perry's pessimism about prospects for real growth in 1979 could prove right, particularly if interest rates rose dramatically further, but the probability of a recession next year seems to me to be relatively low.

You will note that our latest interagency forecast is more optimistic than most about the inflation rate. That is because we assume a relatively high degree of success with the new anti-inflation program. Unless success is achieved, the inflation rate might be a percentage point higher than we have projected. In that case, economic growth would probably be weaker than our forecast, because of the effects of higher inflation on interest rates and on the confidence of consumers and businesses.

The latest interagency forecast is just now being completed; we will give you a full briefing on it when all the numbers are in.

Comparison of Recent Economic Forecasts

| | <u>1978</u> | <u>1979</u> | <u>1980</u> |
|---|-------------|-------------|-------------|
| <u>Real GNP Growth (Q4/Q4 %)</u> | | | |
| 1. CEA-Interagency Forecasting Group | 3.7 | 2.9 | 3.2 |
| 2. Federal Reserve Staff | 3.5 | 3.4 | n.a. |
| 3. DRI Model | 3.8 | 2.4 | 5.6 |
| 4. Wharton Model | 3.8 | 2.8 | 1.9 |
| 5. MPS Model | 3.8 | 2.6 | 2.8 |
| <u>Inflation Rate (GNP Deflator) (Q4/Q4, %)</u> | | | |
| 1. CEA-Interagency Forecasting Group | 8.0 | 6.4 | 6.0 |
| 2. Federal Reserve Staff | 8.0 | 7.1 | n.a. |
| 3. DRI Model | 7.8 | 6.9 | 7.3 |
| 4. Wharton Model | 8.2 | 7.2 | 7.1 |
| 5. MPS Model | 8.0 | 7.5 | 7.8 |
| <u>Unemployment Rate (Q4, %)</u> | | | |
| 1. CEA-Interagency Forecasting Group | 6.0 | 6.4 | 6.6 |
| 2. Federal Reserve Staff | 5.9 | 6.0 | n.a. |
| 3. DRI Model | 6.1 | 6.5 | 5.9 |
| 4. Wharton Model | 6.1 | 6.4 | 6.7 |
| 5. MPS Model | | | |

THE WHITE HOUSE
WASHINGTON

10/11/78

Charlie Schultze

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

| | |
|--|---------------------------|
| | FOR STAFFING |
| | FOR INFORMATION |
| | FROM PRESIDENT'S OUTBOX |
| | LOG IN/TO PRESIDENT TODAY |
| | IMMEDIATE TURNAROUND |
| | NO DEADLINE |
| | LAST DAY FOR ACTION - |

ACTION
FYI

| | |
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| | ADMIN CONFID |
| | CONFIDENTIAL |
| | SECRET |
| | EYES ONLY |

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| | VICE PRESIDENT |
| | EIZENSTAT |
| | JORDAN |
| | KRAFT |
| | LIPSHUTZ |
| | MOORE |
| | POWELL |
| | WATSON |
| | WEXLER |
| | BRZEZINSKI |
| | MCINTYRE |
| | SCHULTZE |

| | |
|--|------------|
| | ARAGON |
| | BOURNE |
| | BUTLER |
| | H. CARTER |
| | CLOUGH |
| | COSTANZA |
| | CRUIKSHANK |
| | FALLOWS |
| | FIRST LADY |
| | GAMMILL |
| | HARDEN |
| | HUTCHESON |
| | JAGODA |
| | LINDER |
| | MITCHELL |
| | MOE |
| | PETERSON |
| | PETTIGREW |
| | PRESS |
| | RAFSHOON |
| | SCHNEIDERS |
| | VOORDE |
| | WARREN |
| | WISE |

| | |
|--|-------------|
| | ADAMS |
| | ANDRUS |
| | BELL |
| | BERGLAND |
| | BLUMENTHAL |
| | BROWN |
| | CALIFANO |
| | HARRIS |
| | KREPS |
| | MARSHALL |
| | SCHLESINGER |
| | STRAUSS |
| | VANCE |

Domestic Crude Oil Price Decontrol

A Scenario

Schultze
info
from Robt
Anderson
JC

Overview

The basic energy policy choice to be made by this Nation is whether to approach energy problems through more government intervention or through primary reliance on the market to allocate scarce and vital resources and to stimulate development of new resources. There is implicit consensus between the petroleum industry and the Carter Administration that U. S. crude oil is dangerously under priced. Both argue that allowing the U. S. price to float to the world level would encourage conservation and development of new domestic resources. But since the President proposed a National Energy Plan on April 20, 1977, the Administration has doggedly held to the position that raising the price must be done by imposing a massive new wellhead tax, the so-called Crude Oil Equalization Tax. COET is the "center-piece" of the Carter plan. However, it is now clear that Congress has rebuffed COET and also made clear its opposition to import fees, one presidential alternative for import limitation. The other alternative is to impose direct quotas, but for the quota approach to be truly effective in reducing oil imports, gasoline rationing -- a politically unacceptable alternative -- would be required. The problem remains: what is a politically acceptable alternative that would reduce U. S. oil imports and affirm the President's commitment at the recent Bonn economic summit conference to achieve world price for domestic crude by the end of 1980?

The answer, we believe, is a carefully structured program of

THE WHITE HOUSE
WASHINGTON

October 11, 1978

The Vice President
The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Hamilton Jordan

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

October 10, 1978

*Fritz-
Kahn suits me.
See if he's
interested
J*

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze *CLS*
Subject: Administering the Anti-Inflation Program:
Who Should Do It

I discussed with you earlier a recommended organizational structure for administering the anti-inflation program. Strauss, Eizenstat, Blumenthal and McIntyre concur in the recommendation. The attachment outlines the structure.

The Vice President had some problem with the name I originally suggested to run the program, and spoke to you about it. Since then, we have come up with another name who, all of us agree, would be an unbeatable choice to do the job -- Alfred ("Fred") Kahn, Chairman of the CAB. Ham Jordan enthusiastically endorses this suggestion.

Kahn has all the needed attributes. He has done a magnificent job as CAB Chairman. In less than two years he has virtually revolutionized the airline industry, providing sharply lower fares to consumers and higher sales and earnings for the industry. He has demonstrated conclusively the virtues of deregulation. He was a major ally in getting the airline reform bill, both directly with the Congress and indirectly by demonstrating that deregulation would work. His relationships with the press, the Congress, and the industry have been very well handled. He has worked exceedingly well with other members of your Administration.

Kahn is a Ph.D. economist, specializing in industrial pricing and economic regulation. He served in the Federal Government before -- anti-trust division, war production board, CEA staff member. He was Dean of the College of

Arts and Sciences at Cornell University, and then Chairman of the New York State Public Service Commission before taking the CAB job.

Kahn has -- deservedly -- the reputation of getting things done. He has an excellent image with the public and the press. While he has no special connection with labor, he has, to the best of our knowledge, done nothing to make him unacceptable to them.

The basic direction has been set at the CAB. The airline reform bill is in hand. Kahn could move to a new assignment without endangering hard won gains.

No one has yet talked to Kahn about this. Rather than have someone else call him, and risk a turndown, I strongly recommend that you call him yourself and urge him to take the job. Making the anti-inflation program work is perhaps the most important single task ahead of the Administration in the next several years. Although it will be a very difficult, high-risk, and often messy task, Kahn may be willing to give up his present position to take on such a challenge if you appeal to him personally.

Attachment

Outline of an Organizational Structure
for the Anti-Inflation Program

1. Definition of the task

- A. To supervise and coordinate that part of the anti-inflation program which deals with the private wage-price standards and the Federal Government's role in enforcing them.
- B. Other matters of economic policy would remain with the EPG.

2. Structure

- A. A special assistant with direct access to the President would be appointed to administer the program.
- B. The special assistant would be named Chairman of the Cabinet-level Council on Wage and Price Stability. (The CEA Chairman would step down as Chairman of the Council.) An Executive Committee of the Council would be named consisting of the new Chairman plus Blumenthal, Schultze, Strauss, McIntyre, Eizenstat, Marshall, and Kreps.
- C. The special assistant to the President would use the Executive Committee of the Council as the forum to discuss and settle major issues of program policy.
- D. Barry Bosworth, Executive Director of CWPS, would report to the new Chairman.
- E. The special assistant would be named to the EPG Steering Committee.

3. The responsibilities of the special assistant

- o organizing and coordinating the government's approach to business and labor on specific wage agreements and price issues
- o organizing a continuing public education effort
- o dealing with Congress and special interest groups about the program
- o making policy decisions about interpretation of the wage-price standards and their enforcement
- o dealing with other government agencies in enforcing the procurement sanction
- o identifying and working with government agencies to employ other legitimate governmental "levers" to influence wage and price decisions
- o exercising broad policy supervision, through Barry Bosworth, in monitoring wages and prices, and identifying "violators"
- o making policy decisions on whether and how the Federal Government should comment publicly about specific wage and price settlements
- o working with CWPS to identify special problem sectors of inflationary pressure, developing ways to deal with them, and enlisting other government agencies to help.

4. Staff

The staff of CWPS could provide most of the necessary support for the special assistant. He will, however, need a small personal staff (which can be placed on the CWPS payroll). The details should be left to the person chosen for the job.

5. Ambassador Strauss

Ambassador Strauss would continue to help you in the anti-inflation effort as he now does in a large number of other areas. He would continue to serve on the EPG and would be a member of the Cabinet-level CWPS Executive Committee.

EYES ONLY

TO: PRESIDENT CARTER
FROM: HAMILTON JORDAN *HJ*
RE: ANTI-INFLATION PROGRAM COORDINATION

To be successful, your new anti-inflation program will required the sustained interest, support and coordination of the White House staff, Administration officials and Cabinet officers. As President, you are not often exposed to the problems we encounter as we set out to execute your programs and policies. I believe that all of your major substantive and political advisers would agree that strong coordination has been lacking to date in our inflation efforts and will be needed if the new measures you propose will succeed.

To the extent that inflation is psycholological, it is critical that we do a good job of presenting not only our program but also the commitment of this Administra-

tion to fighting inflation. The attached memorandum from Landon Butler to me outlines some of the political shortcomings of our efforts to date. We can and should do better in the future.


To do better will require the fulltime coordination of someone who is substantively sound, politically sensitive and sensible, a good manager and someone who has the confidence of yourself and the other players. Alfred Kahn is the ideal choice for all of the reasons presented by Charlie. To choose Alfred will be an indication to the news media, the Congress and the business community that you mean business on inflation.

There are so many things that we can do here to convince the American people, the business community and the labor movement that we are serious about inflation. But those things don't just happen and require the strong leadership of a single person. I strongly believe that Fred Kahn is the right person. It is difficult to think of a good alternative to him.

THE WHITE HOUSE

WASHINGTON

MEMORANDUM TO HAMILTON JORDAN

FROM: LONDON BUTLER 

DATE: OCTOBER 4, 1978

SUBJECT: INFLATION

As you know, I've been following our inflation program closely since June. Here are some thoughts about our current plans:

ADMINISTRATION

Our anti-inflation efforts to date have been long on policy, but short on execution, and I don't see any real signs of change. Here are some examples of the problems we have had with the deceleration program that we announced last Spring:

- I doubt if Administration officials have given a total of more than 25 inflation speeches in the last four months. By contrast, State Department officials made almost 1600 appearances on behalf of the Panama Canal Treaties in the months prior to the ratification vote. The Panama program worked because State assigned three people to work full-time on a Speakers Bureau; there are no full-time people available to carry out the inflation program.
- Similarly, there has been no printed material available on the deceleration program. If some errant businessman had bothered to write for information on the program, nothing in printed form would have been available to send him. There is no printed material because there has been no one to coordinate the production of brochures and pamphlets.
- Although a lot of organizations indicated an interest in cooperating with the deceleration effort, there was almost no substantive follow-up. Professional organizations (the ABA, AMA and others) expressed an interest in developing programs of their own, but there was no one in the Administration to follow-up with the assistance necessary to put detailed programs in place.

The lesson to be learned from these failures is that an effective anti-inflation program must operate from a full-time, adequate administrative base. Treasury, Commerce, STR and Labor all have other priorities; CEA and COWPS are not organized to coordinate and administer large programs. As a result, our number one domestic priority is a patchwork effort with no fixed responsibility for successful operation.

To correct this situation, the next phase should have the following administrative core:

- a full-time Director with a national reputation for ability and integrity. The Director should be both a spokesman and an administrator, and he or she should be acceptable to business, labor and the public sector. Ideally, this person should be someone who is viewed as being particularly well-equipped to lock horns with business over pricing.
- a Deputy Director who has a detailed understanding of the program and who can be responsible for day-to-day coordination. Bo Cutter or Jerry Jasinowski could do this job well.
- a labor-management advisor. The 1979 round of collective bargaining agreements, beginning with the Master Freight Agreement in March, will have a critical impact on the success of our program. We will need the full-time services of an experienced labor-management professional if we are to meet our wage objectives within the confines of the collective bargaining process. Wayne Horvitz would be ideal for this job.
- a Coordinator of Special Programs. The inflation program under consideration now does not directly address food costs, health costs, housing costs, interest rates, professional fees, etc. The economists argue that we can't do much about some of these costs (food, interest, etc.) or that they don't contribute substantially to inflation (professional fees). Nevertheless, fairness dictates that our program address these costs also: it will be difficult to ask auto workers to hold down their demands and not ask doctors to hold down their fees. A full-time professional will be needed to make sure we are doing all we can in each of these areas.

This administrative core would require adequate secretarial support and perhaps a press aide. In short, the anti-inflation program needs an administrative base of 10-12 people.

POLITICAL SUPPORT

I believe there is a political dimension to the inflation fight which is being ignored in our current plans.

If a voluntary program is to succeed, the President must swing the full weight of public opinion behind his effort. But marshalling public support will not be easy, even in the post-Camp David atmosphere. We have learned time after time that a nation-wide television announcement is not enough: our program will succeed only if we can solicit active political support from Congress, from Governors and Mayors, and from as many of our constituencies as possible.

The anti-inflation program as now planned will not be perceived as strong. At best it will be called a band-aid; at worse it will be dismissed as a brief pause on the way to wage and price controls. Furthermore, the details of the program are being reported in the press daily, so the President's announcement will almost certainly contain nothing new. The most effective step we can take to improve the impact of the President's announcement is to begin now to enlist political support: the announcement will be taken seriously if it is accompanied by strong statements of support from the Congressional Leadership and from other political leaders.

Further, a voluntary program of price and wage guidelines will place the Administration in a series of confrontations with business and labor, and perhaps other groups as well. The support of other political leaders will also strengthen the President's hand as the inevitable confrontations occur with groups that violate the guidelines.

With this in mind, I suggest the following:

- The President should seek bipartisan support from the Congressional Leadership. Jim Cannon, who is the Director of Howard Baker's Minority Leader staff and a former Director of President Ford's Domestic Council, told me last Friday that he believed that Baker and the Senate Republicans would seriously consider giving bipartisan support to the President's anti-inflation program. Jim thinks Republicans would be receptive if the President asks them, in the national interest, to support a bipartisan inflation policy just as they would support a bipartisan foreign policy.

If the Administration invokes the procurement sanction, the first people to scream will be the Congressmen from the areas affected by loss of jobs. If the Congressional Leadership is indifferent to the program, a voluntary approach will quickly fall apart under the onslaught of special interests. But if the Leadership backs the President when confrontations occur, the chances of success will be far greater.

--The Governors and Mayors should also be asked to support the program. Like the Congressional Leadership, the Governors and Mayors can help bring pressure to bear on industries that exceed anti-inflation standards.

--Finally, Blacks, Hispanics, and consumers should be asked to support the program: their constituents are among those most affected by inflation. Support from those groups will also place additional pressure on labor to cooperate.

In brief, I am urging that we conduct a well-coordinated effort to assemble solid support for the anti-inflation program before the announcement. Some consultation, of course, has already taken place; but no systematic attempt is being made to obtain hard promises of public support.

The details of the program are already out: we have nothing to lose by seeking endorsements, and a lot to gain.

NAT GAS HEADCOUNT TALLY
2100H OCT 11, 1978

NGC2 PARTY LNAM

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| 0 | D | 17 |
| | R | 109 |
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| 0 | | 126 |
| 1 | D | 161 |
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| 1 | | 162 |
| 2 | D | 26 |
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| 2 | | 30 |
| 3 | D | 27 |
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| 3 | | 27 |
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| 4 | | 10 |
| 5 | D | 46 |
| | R | 32 |
| ----- | | ----- |
| 5 | | 78 |
| ----- | | ----- |
| | | 433 |

9
Vote Count on Previous Question

126 no information

192 Yes & Leaving Yes

27 undecided

88 No & LEAVING No

Electrostatic Copy Made
for Preservation Purposes

NAT GAS HEADCOUNT TALLY
OCT 11, 1978

Vote Count on the Rule

| NGC3 | PARTY | LNAM |
|-------|-------|------|
| 0 | D | 6 |
| | R | 36 |
| ----- | | |
| 0 | | 42 |
| 1 | D | 160 |
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| 1 | | 164 |
| 2 | D | 31 |
| | R | 7 |
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| 2 | | 38 |
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| | R | 26 |
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| 3 | | 57 |
| 4 | D | 10 |
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| 4 | | 26 |
| 5 | D | 49 |
| | R | 57 |
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| 5 | | 106 |
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| | | 433 |

42 NO information

202 YES & LEANING YES

57 Undecided

132 NO & LEANING NO

NAT GAS HEADCOUNT TALLY
OCT 11, 1978

| NGC4 | PARTY | LNAM |
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| 0 | D | 60 |
| | R | 44 |
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| 1 | | 117 |
| 2 | D | 27 |
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| 2 | | 40 |
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| 3 | | 71 |
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| 4 | | 41 |
| 5 | D | 33 |
| | R | 27 |
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| 5 | | 60 |
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| | | 433 |

Vote Count on final passage

104 No information

157 YES & LEANING YES

71 Undecided

101 No & LEANING No

THE WHITE HOUSE
WASHINGTON

10/11/78

Frank Moore

The attached was returned
in the President's outbox
today and is forwarded to
you for appropriate handling.

Rick Hutcheson

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| | FOR STAFFING |
| | FOR INFORMATION |
| | FROM PRESIDENT'S OUTBOX |
| | LOG IN/TO PRESIDENT TODAY |
| | IMMEDIATE TURNAROUND |
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THE WHITE HOUSE
WASHINGTON

October 9, 1978

Frank J

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE

RE: Telephone Calls on Humphrey-Hawkins Cloture Vote

You need to make the following telephone calls on the Humphrey Hawkins Cloture Vote as soon as possible and definitely prior to your 11:15 a.m. Tuesday meeting with Black leaders:

HOWARD CANNON (D-NEVADA)

C V Frank did this

LAWTON CHILES (D-FLORIDA)

C - 1 V - 3

WENDELL FORD (D-KENTUCKY)

C 3 → 1 V - 3

DEE HUDDLESTON (D-KENTUCKY)

C - 3 → 1 V - 1 Wants to help

FRITZ HOLLINGS (D-SOUTH CAROLINA)

C - 1 V - 1

ROBERT MORGAN (D-NORTH CAROLINA)

C - 1 V - 1

*prefer it
Not come
up }*

You should talk to Senator Russell Long when you see him tomorrow morning at 10:15 a.m.

BACKGROUND

The revised Humphrey-Hawkins bill would:

Establish full employment as right and the fulfillment of that right as a goal of American economic policy. For 1983 it would legislate a goal of 4 percent unemployment.

Require the President to lay out each year goals for economic growth, unemployment and inflation for five years and specify policies for reaching the first and second year targets.

Provide that in 1981 (the third year after passage) the President could extend the timetable for reaching the 4 percent unemployment level beyond 1983.

The Humphrey-Hawkins bill would write into law at long last a principle for which the Democratic party, and its great leader Hubert Humphrey, fought for so many years: that fulfilling the right to a job at decent wages for all Americans is the fundamental purpose of American economic policy. The bill also recognizes that achieving that goal must be balanced with the search for price stability.

Republican Senators owe this crucial piece of legislation so important to all Americans, but especially to Blacks and other minority groups, a fair hearing on the floor of the Senate.

TALKING POINTS FOR TELEPHONE CALLS

Commitments to vote for cloture on the Humphrey-Hawkins bill whenever it comes.

Opposition to weakening amendments, especially the amendment that Senator Proxmire may offer to write a goal of 3 percent inflation in 1983 into the bill.

We favor existing language in the Humphrey-Hawkins bill as filed that sets 3 percent inflation as a goal but without specifying a year.

Opposition to an amendment to limit federal spending to 20 percent of GNP by 1983.

Support for Majority Leader Robert Byrd in his efforts to work the Humphrey-Hawkins bill to a successful conclusion through thickets of parliamentary maneuvers.

THE WHITE HOUSE
WASHINGTON

10/11/78

Tim Kraft

The attached was returned in
the President's outbox today
and is forwarded to you for
appropriate handling.

Rick Hutcheson

cc: Jim Gammill
Frank Moore

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| SECRET | FOR STAFFING |
| | FOR INFORMATION |
| SECRET | FROM PRESIDENT'S OUTBOX |
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| | LAST DAY FOR ACTION - |

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| | SCHLESINGER |
| | STRAUSS |
| | VANCE |

CHARLES E. BENNETT
MEMBER
3d DISTRICT, FLORIDA
ARMED SERVICES COMMITTEE
CHAIRMAN OF SEAPOWER
SUBCOMMITTEE

JACKSONVILLE OFFICE:
352 FEDERAL BUILDING 32202
TELEPHONE 904-791-2587

JOHN W. POLLARD, JR.
BRENDA DONALDSON

Congress of the United States
House of Representatives

Washington, D.C. 20515

September 28, 1978

JOHN W. FARLEY
ADMINISTRATIVE ASSISTANT

THOMAS J. MILLER
LEGISLATIVE ASSISTANT

SHARON H. SIEGEL
LAURA M. BISHOP
SARAH J. SCOTT
SECRETARIES

Honorable Jimmy Carter
President of the United States
The White House
Washington, D.C. 20500

ACK. FM Defense
CONGRESSIONAL
LIAISON

OCT 3 1978

cc: Pres. Personnel

Dear President Carter:

I understand that there are two or three unfilled vacancies on the Board of Regents of the Uniformed Services University of the Health Sciences; and I am writing to enthusiastically recommend Dr. Emmet Ferguson of Jacksonville, Florida to fill one of these vacancies. As you know, he is a very able physician, a loyal American and extremely supportive of your election and your administration. I have not been in contact with him about this but I feel he would accept if offered.

With kindest regards, I am

Sincerely,

Charles E. Bennett

Charles E. Bennett

CEB:ss

*Tim - Unless
there is a
serious
problem, do
this
J*

*RE 14
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THE WHITE HOUSE
WASHINGTON

October 4, 1978

Dear Congressman Bennett:

The President received your September 28 recommendation of Emmet Ferguson for the Board of Regents of the Uniformed Services University of the Health Sciences.

The President has noted your support for Dr. Ferguson, and has asked me to forward your letter to the Department of Defense for direct attention.

Please be assured that your endorsement will receive every consideration.

Sincerely,

A handwritten signature in dark ink, appearing to read "Frank Moore". The signature is fluid and cursive, with the first name "Frank" and last name "Moore" clearly distinguishable.

Frank Moore
Assistant to the President
for Congressional Liaison

The Honorable Charles E. Bennett
U.S. House of Representatives
Washington, D.C. 20515

12:05 PM

THE WHITE HOUSE
WASHINGTON
October 11, 1978

9

MEMORANDUM FOR: THE PRESIDENT
FROM: LANDON BUTLER
SUBJECT: Meeting with Bunny Mitchell
DATE: Wednesday, October 11
TIME: 12:05-12:10pm
LOCATION: The Oval Office

I. PURPOSE

To thank Bunny Mitchell for her service on your staff.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

- A. Background: Bunny will be leaving the White House staff this week and will be taking a job at the Small Business Administration as Assistant to the SBA Deputy Administrator Pat Cloherty. She will have a GS15/10 rating. Bunny's general responsibility will be involving minorities and women in SBA programs.
- B. Participants: Bunny Mitchell.
- C. Press Plan: White House photographer only.

III. TALKING POINTS

It would be appropriate to:

- thank Bunny for the work she has done in the past 20 months, and
- tell her that you hope she will continue to make her political knowledge and contacts available to Louie Martin and to the White House staff in general.

THE WHITE HOUSE

WASHINGTON

October 7, 1978

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT *She*
LYNN DAFT *from*

SUBJECT: Enrolled Bill H.R. 13125 -
Agriculture, Rural Development
and Related Agencies Appropriation
Bill, 1979

THE BILL

H.R. 13125 authorizes a budget of \$18,288 million for FY 1979 for the Department of Agriculture (except the Forest Service), the Food and Drug Administration, and other small agencies.

VOTES IN CONGRESS

The bill passed both Houses of Congress by voice vote.

ANALYSIS OF THE BILL

We reviewed highlights of this bill in our memorandum to you of September 28th when we asked whether you intended to approve the bill so the Department of Agriculture could take the necessary steps to avoid curtailment of its Women, Infants, and Children (WIC) feeding program. Briefly, the \$18,288 million in 1979 budget authority provided in this bill is \$198 million over your requested level, resulting in an estimated increase in 1979 spending of \$141 million. Assuming the bill establishes a new program level base, it would add an estimated \$210 million to 1980 spending. As we noted in our earlier memo, the major program changes to your requests are the following:

- o The Agricultural Conservation Program is increased \$90 million, although the bill allows the Administration to focus on "enduring conservation practices" and move away from "production enhancements," as we recommended.

-2-

- o The agricultural research budget is increased by \$65 million, of which \$35 million is for construction. Also, the bill does not reflect your proposed shift in funding to higher priority research.
- o The bill contains increased funding for low priority soil conservation activities. The conference report further indicates that the conferees did not concur in the Administration's proposal to fund cost-sharing for nonpoint source pollution abatement practices under the agricultural conservation program and "await a supplemental request."
- o Farmers Home Administration grant programs are increased somewhat.
- o This bill continues the practice begun in 1977 of mandating minimum employment ceiling for certain Department organizations.
- o A requested \$58 million to fully fund 25 new, small watershed projects was denied and one year funding was provided instead.

As we also noted in our earlier memorandum, Secretary Bergland and Director McIntyre worked closely with Senators Eagleton and Bellmon and Congressman Whitten in the development of this bill. With the cooperation of these members, we were successful in: redirecting the agricultural conservation program, eliminating add-ons for the nonpoint source pollution program, striking House language that would have provided separate appropriations for "salaries" and "other expenses," and generally keeping the level of increase down.

AGENCY AND STAFF RECOMMENDATIONS

Jim McIntyre notes a concern about the future budget implications of the spending increases provided by this bill, but recommends that you approve it given the significant gains registered during Senate and conference action. Jim further recommends that you call Senators Eagleton and Bellmon and Congressman Whitten before you sign the bill to thank them for their efforts in making this legislation acceptable to you.

done

-3-

All other affected agencies recommend approval as do all responding Senior Staff. We recommend that you sign H.R. 13125. This would be consistent with your decision regarding our September 28 memorandum. To avoid further disruption of agency operations, we suggest that you act on this bill as soon as possible.

DECISION

 ✓ Sign H.R. 13125 (recommended)
 Veto H.R. 13125

✓

THE WHITE HOUSE

WASHINGTON

LAST DAY FOR ACTION

Wednesday, October 11

October 10, 1978

MEMORANDUM FOR

THE PRESIDENT

FROM

STU EIZENSTAT

KATHY FLETCHER

Stu

SUBJECT:

Enrolled Bill H. R. 12026 -- Indian Peaks Wilderness Area, The Arapaho National Recreation Area, and the Oregon Islands Wilderness Area Act

You must decide by Wednesday, October 11, 1978, whether to sign or veto this bill.

THE BILL

This bill designates a 70,000-acre Indian Peaks Wilderness Area and an adjacent 36,000-acre Arapaho National Recreation Area, both within the Arapaho and Roosevelt National Forests in Colorado. The bill also adds approximately 459 acres to the existing Oregon Islands Wilderness on the coast of Oregon.

The areas to be designated in Colorado are adjacent to Rocky Mountain National Park and are of outstanding scenic and recreational value. The Administration supported the Wilderness and National Recreation Area (NRA) proposal in testimony before the Congress. The bill authorizes \$5 million for land acquisition within the NRA and \$5 million for water quality and recreation development. The bill also authorizes a one-year study of expanding the National Park into the areas designated by this bill.

The Oregon Islands provisions largely incorporate an Executive Branch proposal which has been before the Congress since 1973. It involves Bureau of Land Management land adjacent to the existing Wildlife Refuge.

- 2 -

VOTES IN CONGRESS

House: 360-9

Senate: voice vote

ARGUMENTS FOR SIGNING

- The Indian Peaks area is of high value for wilderness and recreation uses and the designations in this bill enjoy widespread support in Colorado, including the strong support of the Colorado delegation.
- The Administration testified in support of the proposal.

ARGUMENTS FOR VETO

None

AGENCY AND STAFF RECOMMENDATIONS

OMB, Agriculture, CEQ, and EPA recommend approval, and Interior, Defense, Transportation, Commerce and Energy have no objection. Senior staff have raised no objection, and I recommend approval.

Frank Moore's office is working with Congressman Tim Wirth and Senator Haskell to determine how they can get maximum credit for the passage of this legislation.

DECISION

 ✓

Sign H. R. 12026

Veto H. R. 12026

*Don't tell
the Governor -
J*

RRJ

THE WHITE HOUSE

WASHINGTON

GOTV PRESS ANNOUNCEMENT

Tuesday, October 10, 1978
9:30 a.m. (15 minutes)
Democratic National Committee

From: Frank Moore *F.M./BR*

I. PURPOSE

To announce the National Get-Out-the-Vote effort.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background: Voter turnout has been dropping dramatically. A turnout falling even below the 34.1% of 1974 is being predicted. Primary turnout figures, even in some states with heated Primary battles, has been very low. This is one factor that could cause significant Democratic losses in the upcoming elections. Your making this announcement will dramatize your concern about this problem and will allow you to announce steps by you and the Administration--along with the DNC and the House and Senate Campaign Committees--to effect an increase in voter turnout.

B. Participants: The President
John White, Chairman, DNC
Sen. Wendell Ford, Chairman, Senate
Campaign Committee
Cong. Jim Corman, Chairman, House
Campaign Committee

C. Press Plan: Full press coverage.

III. TALKING POINTS

You will make brief remarks (attached) and then depart. Chairman John White, Sen. Ford and Cong. Corman will take questions after your departure.

THE PRESIDENT'S VISIT TO
THE DEMOCRATIC NATIONAL
COMMITTEE

Tuesday, October 10, 1978

9:10 am The President boards motorcade on South
Grounds.

MOTORCADE DEPARTS South Grounds en route
Democratic National Committee.

(Driving time: 5 minutes)

9:15 am MOTORCADE ARRIVES Democratic National Committee.

The President proceeds inside Democratic
National Committee en route Chairman White's
office.

9:17 am The President arrives Chairman White's office.

The President will be met by:

Chairman John White
Rep. James C. Corman (D-California),
Chairman, Democratic House
Campaign Committee
Sen. Wendell H. Ford, (D-Kentucky)
Chairman, Democratic Senatorial
Campaign Committee

OFFICIAL PHOTO COVERAGE

9:23 am The President, escorted by Chairman White, Rep.
Corman and Sen. Ford, proceeds to reception
room to informally greet Democratic National
Committee employees.

OFFICIAL PHOTO COVERAGE
ATTENDANCE: 50

9:29 am The President, accompanied by Chairman White, Sen. Ford and Rep. Corman departs reception room en route offstage announcement area.

9:30 am The President arrive offstage announcement area and pauses.

Announcement.

The President proceeds inside Conference Room en route podium for remarks for Democratic National Committee Get out the Vote Program.

OPEN PRESS COVERAGE

9:31 am The President arrives podium and remains standing.

Presidential remarks.

FULL PRESS COVERAGE

9:36 am Remarks conclude.

The President thanks his hosts and proceeds to motorcade for boarding.

9:40 am MOTORCADE DEPARTS Democratic National Committee en route South Grounds.

(Driving time: 5 minutes)

9:45 am MOTORCADE ARRIVES South Grounds.

9:30 AM

THE WHITE HOUSE
WASHINGTON

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Tuesday, October 10, 1978
9:30 a.m. (15 minutes)
Democratic National Committee

From: Frank Moore *FM/BR*

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John White, Chairman, DNC
Sen. Wendell Ford, Chairman, Senate
Campaign Committee
Cong. Jim Corman, Chairman, House
Campaign Committee

C. Press Plan: Full press coverage.

III. TALKING POINTS

You will make brief remarks (attached) and then depart. Chairman John White, Sen. Ford and Cong. Corman will take questions after your departure.

Press announcement of Get Out the Vote Program

October 10, 1978

Good morning. I am here this morning to meet with
John White, Chairman of the Democratic National Committee...
Senator Wendell Ford, Chairman of the Democratic Senate
Campaign Committee...and Congressman Jim Corman, Chairman
of the Democratic House Campaign Committee...and to give
them my strong support and encouragement for their effort
to get out the vote in the mid-term elections just four
weeks from today.

This is an enormously important effort -- not just for
our party, but for our country.

During the last two decades, we have seen a steady
and alarming decline in political participation in our country.

In 1960, two out of three eligible voters went to the
polls and cast their ballots. In 1978, according to the
projects, two out of three will stay home.

60 $\frac{2}{3}$
78 $\frac{1}{3}$

We like to think of the United States as the leader in just about everything, but in this case our leadership is nothing to be proud of. We are Number One in nonparticipation. Every other Western democratic country, large or small, rich or poor, turns out a significantly larger percentage of voters on election day.

As a citizen--as an American--I am deeply disturbed by these statistics. Our system derives its fundamental legitimacy from the consent of the governed. When that consent is replaced by silence, our system is weakened. When the people do not participate, power drains away from them.

Voting is the foundation of democracy. It is more than an attempt to influence public policy. It is an individual act that says: I am part of this society. Its future is important to me. And I want to participate in determining that future.

There are many reasons for the decline in participation, ranging from the disillusioning effect of events like Watergate to the sometimes cumbersome registration procedures in some areas.

It is important for us to discuss and debate those reasons. But it is equally important--perhaps even more so--for us to act--not to wait, but to get out and work to ensure that the trend toward nonparticipation is reversed.

This is why I am here this morning.

In the next four weeks, our party, the Democratic Party, will mount a major effort to get out the vote--an effort that has been in preparation since the beginning of this year.

Under the leadership of Chairman White, Senator Ford, and Congressman Corman, our party is taking action on a number of fronts.

For the first time in 12 years, the DNC has joined the campaign committees in providing substantial financial support directly to our candidates.

We will be using radio in targeted areas to encourage a big voter turnout.

We will be sending people out into the field during the last weeks before the election to help get out the vote.

Labor and other traditionally Democratic groups have long been involved in getting Americans out to vote. I am asking Chairman White to meet with those groups to enlist their support for these efforts.

I will ask all the major officials of my Administration to express my concern about voter turnout in the appearances they will be making between now and the election.

And I will be sending a letter to all major Democratic
party officials, expressing that same concern and encouraging
them to plan the most vigorous effort they can to get out
the vote.

As a Democrat, I hope and believe that a bigger turnout
four weeks from today will mean a bigger Democratic
victory. But the importance of voter participation in
our small-D democratic system is something that transcends
political affiliation. The slogan of our get-out-the-vote
campaign this year is "If you don't vote, you're the loser."
That is certainly true, and the opposite is true as well:
if we all vote, we're all the winners. That is why
this effort is so important. Thank you.

#

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

October 11, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze ^{CLS}
Subject: Retail Sales in September.

At 3:30 p. m. today (Wednesday, October 11), the Census Bureau released its first estimate of retail sales in September and revised estimates for earlier months. The figures reveal a substantially stronger pace of sales than had been indicated earlier.

Total sales in September are estimated to have risen 1.5 percent, a sizeable gain. The August increase was revised up substantially -- from 0.8 percent to 1.8 percent. Between June and September, total retail sales are now estimated to have increased at an annual rate of 12-1/2 percent. This is well above the rise in prices, which has slowed in recent months to a 6 to 7 percent annual rate, and so it means that real retail sales are on the increase.

This is very good news, since it indicates that consumer willingness to spend is holding up well, despite the worsening of inflation this year. It does not, however, require a significant change in our own view of the economic outlook. We had expected an improvement in consumer buying from what had appeared to be an unusually sluggish summer pace, and had incorporated that into our forecast. The new data do, of course, give us more confidence in our judgment about the immediate economic outlook.

THE WHITE HOUSE
WASHINGTON

10/11/78

Jerry Rafshoon

The attached was returned
in the President's outbox
today and is forwarded
to you for appropriate
handling.

Rick Hutcheson

cc: Phil Wise
Fran Voorde

MEDAL OF FREEDOM

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| | VANCE |

THE WHITE HOUSE
WASHINGTON

October 5, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

Jerry Rafshoon *Jerry*

SUBJECT:

The Presidential Medal of Freedom

Although we have made a practice of following the tradition of presenting the Presidential Medal of Freedom on or around the fourth of July, many people have contacted us about honoring Margaret Mead and her work in the field of anthropology. Ms. Mead will be celebrating her 78th birthday in December and apparently she is not well.

Mr. Wilton S. Dillon of the Smithsonian Institute recommends this strongly and has contacted Rosalynn, Hamilton and numerous others on the staff.

APPROVE

✓

DISAPPROVE

*Has she not
already received
one?*

[Handwritten mark]

THE WHITE HOUSE
WASHINGTON

10/11/78

Charlie Schultze

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson



THE VICE PRESIDENT
WASHINGTON

October 10, 1978

*Schultze
brief
comment
J*

MEMORANDUM TO THE PRESIDENT

FROM: THE VICE PRESIDENT *uf*

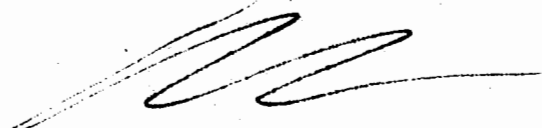
SUBJECT: RECESSION FORECAST FOR 1979

George Perry is a Senior Fellow at the Brookings Institution, and served with the Council of Economic Advisors under President Johnson. He also publishes an economic forecast in a newsletter put out by Citibank of New York. George has just completed a new forecast, and I wanted to bring it to your attention. It predicts:

- a recession beginning in the first quarter of 1979 and continuing for the entire year.
- a rising unemployment rate, reaching 6.9 percent by the fourth quarter of 1979.
- slower inflation during 1979, with the GNP deflator rising at only a 5.5 percent rate during the fourth quarter.

Attached are two tables that will form the basis of George's forthcoming publication on this topic. I am also sharing this memo and the tables with Stu and Charlie.

*I am really worried
about this*



PERCENT CHANGES AT ANNUAL RATES FOR SELECTED ECONOMIC INDICATORS, 1978-79

| Quarterly Percent Changes at Annual Rates | | | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 1Q78 to 2Q78 | 2Q78 to 3Q78 | 3Q78 to 4Q78 | 4Q78 to 1Q79 | 1Q79 to 2Q79 | 2Q79 to 3Q79 | 3Q79 to 4Q79 |
| GNP | 20.6 | 11.3 | 9.2 | 9.1 | 6.3 | 4.1 | 5.2 |
| Real GNP | 8.6 | 3.6 | 2.6 | 1.9 | -0.4 | -1.4 | -0.2 |
| GNP Price Deflator | 11.0 | 7.3 | 6.4 | 7.1 | 6.7 | 5.6 | 5.5 |
| Industrial Production | 13.2 | 7.4 | 4.2 | 2.5 | -2.5 | -8.2 | -2.5 |

| Year over Year Percent Changes | | | | | | | |
|--------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|------------------------------|------------------------------|
| | 4Q77 to 4Q78 | 1Q78 to 1Q79 | 2Q78 to 2Q79 | 3Q78 to 3Q79 | 4Q78 to 4Q79 | Year 1977 to Year 1978 | Year 1978 to Year 1979 |
| Profits after tax | 18.5 | 20.1 | 2.0 | -0.8 | -4.5 | 14.4 | 3.5 |
| Industrial Production | 6.3 | 6.7 | 2.8 | -1.0 | -2.6 | 5.5 | 1.4 |
| Real GNP | 3.6 | 4.2 | 1.9 | 0.7 | 0 | 3.8 | 1.6 |

October 1, 1978

THE ECONOMIC OUTLOOK FOR 1979
(billions of dollars)

| | 1978 | | | | 1979 | | | | Calendar Years | | |
|---------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------------|--------|--------|
| | 1st qtr. | 2nd qtr. | 3rd qtr. | 4th qtr. | 1st qtr. | 2nd qtr. | 3rd qtr. | 4th qtr. | 1977 | 1978 | 1979 |
| Gross National Product | 1992.0 | 2087.5 | 2144.0 | 2191.5 | 2239.7 | 2274.3 | 2297.2 | 2326.6 | 1887.2 | 2103.8 | 2284.5 |
| Personal Consumption | 1276.7 | 1322.9 | 1351.9 | 1382.5 | 1415.9 | 1440.3 | 1461.4 | 1483.3 | 1206.5 | 1335.5 | 1450.2 |
| Business-Fixed Investment | 205.6 | 220.1 | 227.6 | 236.5 | 245.3 | 251.3 | 256.2 | 259.2 | 190.4 | 222.5 | 253.0 |
| Residential Construction | 100.3 | 105.3 | 109.3 | 108.9 | 106.5 | 104.0 | 103.0 | 103.0 | 91.9 | 105.9 | 104.1 |
| Inventory Accumulation | 16.7 | 20.1 | 22.0 | 19.8 | 14.5 | 10.4 | -2.0 | -10.0 | 15.6 | 19.7 | 3.2 |
| Net Exports | -24.1 | -5.5 | -6.0 | -5.0 | -4.0 | -1.0 | +2.0 | +5.0 | -11.1 | -10.2 | 0.5 |
| Federal Government Purchases | 151.5 | 147.2 | 154.7 | 161.1 | 163.0 | 165.5 | 167.0 | 171.0 | 145.1 | 153.6 | 166.6 |
| State and Local Purchases | 265.2 | 277.6 | 284.5 | 290.2 | 295.5 | 300.8 | 306.6 | 312.1 | 248.9 | 279.4 | 303.8 |
| Disposable Personal Income | 1391.6 | 1433.3 | 1472.5 | 1504.2 | 1552.4 | 1578.8 | 1605.1 | 1628.3 | 1303.0 | 1450.4 | 1591.2 |
| Saving Rate (%) | 5.9 | 5.3 | 5.8 | 5.7 | 6.4 | 6.2 | 6.6 | 6.6 | 5.1 | 5.7 | 6.5 |
| Corporate Profits after Taxes | 102.1 | 120.2 | 121.0 | 123.7 | 122.6 | 122.6 | 120.0 | 118.4 | 102.1 | 116.8 | 120.9 |
| GNP in 1972 Prices | 1354.2 | 1382.6 | 1394.9 | 1403.9 | 1410.4 | 1409.1 | 1404.2 | 1403.2 | 1332.7 | 1383.9 | 1406.7 |
| GNP Price Deflator (1972=100.0) | 1.471 | 1.510 | 1.537 | 1.561 | 1.588 | 1.614 | 1.636 | 1.658 | 1.416 | 1.520 | 1.624 |
| Unemployment Rate (%) | 6.2 | 5.9 | 6.0 | 6.0 | 6.2 | 6.4 | 6.7 | 6.9 | 7.0 | 6.0 | 6.5 |
| Industrial Production | 139.6 | 144.0 | 146.6 | 148.1 | 149.0 | 148.1 | 145.2 | 144.3 | 137.1 | 144.6 | 146.7 |

Policy assumptions: FY 79 Expenditures \$487 billion. \$20 billion tax cut (15 and 5) effective January 1979.